

Kazakhstan's National Sport / Respite From Hard Times

A Wild, Dusty Day at the Kzyl-Orda Race Track

By Daniel Williams
Washington Post Service

KZYL-ORDA, Kazakhstan — The riders' daring was thrilling enough for visitors, but local old-timers seemed unimpressed. Huddled under long padded coats, the aging Kazakh onlookers chatted casually about the price of rice and the virtues of two-humped camels while sweaty horses galloped past, carrying little boys who bowed dangerously to one side to pluck red ribbons from a stake in the ground.

The visitors oohed and aahed. Ayes-Khan Kuderbayev smiled politely. "They are very good," said Mr. Kuderbayev, himself a veteran rider. "But their grandfathers, they really had a challenge. They had to get hold of a headless goat and pull it onto the horse."

It was race day in Kzyl-Orda, a river town in western Kazakhstan that for a few hours put aside thoughts of poverty, degraded lands and uncertain prospects for the future. Thousands of townsfolk instead concentrated on their national sport. What baseball is to the United States, cricket to Britain and huffing to Spain, riding is to the Kazakhs.

Attracted by the lure of modernization, urbanized Kazakhs sometimes express irritation at the image of their country steeped in nomadic lore. They frown at pamphlets published by foreigners that depict the Kazakhs living in yurts, the hide-covered mobile home of the steppe.

But in Kzyl-Orda, such anti-nostalgia was far from the minds of the participants and spectators. "A real Kazakh would be on his horse all the time if he could," Mr. Kuderbayev said.

Amanjuk Ongarbayev, one of the organizers, said: "We race horses to celebrate births, circumcisions, anniversaries of the death of relatives. These are the best days in the year."

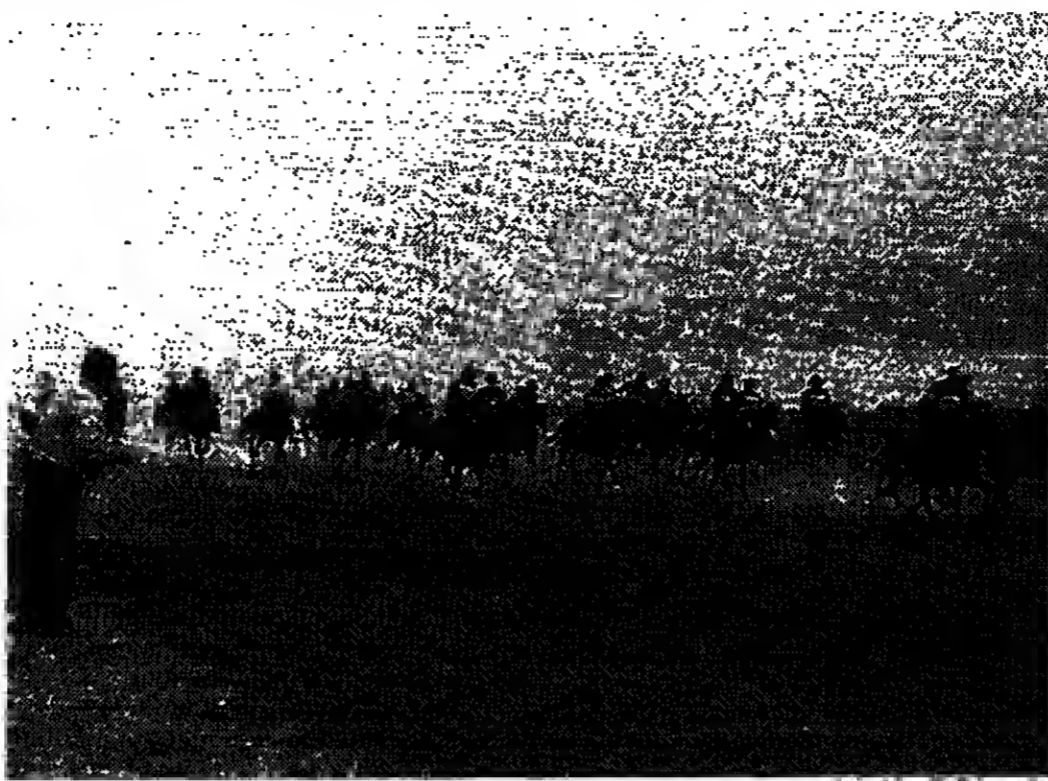
The boys and men, many of them riding bareback, looked at home. They slipped on and off their steeds without the aid of stirrups. Riders held short leather whips between their teeth as they snatched the red ribbons off the track. Participants in the 32-kilometer (20-mile), 16-lap main race of the day showed off by waving at friends and family as they sped along.

Kazakhs are heirs to the Turkic conquerors and Mongolian nomads who swept across the grassy steppes of Central Asia on horseback. Kazakh swiftness afoot made them valuable allies during the wars that have marked Central Asia's history. Tribal rivalries and a weak economic backbone also made the Kazakh lands a target for invasion.

For the past two centuries, czarist and Soviet overlords pressed the Kazakhs to settle down. In particular, Soviet planners proved to be cruel herders of mankind. They forced Kazakhs onto state farms and into spiritless towns in the name of efficient farming and industrial production. Tens of thousands of Kazakh resistors were killed. Russian and other non-Kazakh settlers and exiles converted pasture into wheat fields in the country's fertile northern crescent.

In response to Moscow's long domination, leaders of independent Kazakhstan tried to create a compelling national mythology. The project included exaltation of a recognizable icon: the warrior on horseback. Billboards to remind Kazakhs of their national day celebrations in late October feature a fierce horseman thundering across the steppe.

Remote Kzyl-Orda is a living road map of Ka-



Daniel Williams/The Washington Post

In the main event, 45 horses started out in a flail of whips and a chorus of heady whoops.

zakhstan's history. Before the 1917 Bolshevik Revolution, it was called Akmishet, which means "White Mosque." For a while, it was the capital of communized Kazakhstan, which is when its name was changed to Kzyl-Orda, "Red Capital."

The city has suffered from the draining of the Syr Darya River for cotton irrigation projects. Rice harvests are down, due to lack of water and the increased salinization of the land caused by overuse of the river. In recent years, hopes were raised in the city by the oil industry. A Canadian oil company employs 5,000 residents—a large windfall for a city of 200,000—but even that wellspring of prosperity is under threat. Dropping world oil prices and an inability to get the petroleum to Western markets have raised the specter of layoffs. So the races, held in conjunction with a rice harvest festival, were a useful respite.

Mr. Kuderbayev said that the horses are a Kazakh breed able to live in the open all year. He is a rice farmer who also raises horses, entering 10 in the rice festival races. Mr. Kuderbayev recruited the lightest and most agile riders, which created something of a



controversy this year. The minimum age was supposed to be 15 or 10 years old, depending on whom you talked to. But some of the jockeys seemed barely older than 8.

Judges had a hard time keeping track of who was in and who was out of the 16-lap main race. Forty-five horses started out in a flail of whips and a chorus of heady whoops. Lagging contestants, or any horse in danger of being lapped, were run off the course each turn around. Some riders refused to quit. Others, in confusion, began to run the wrong way. The crowd whistled in disdain. No one was wearing colors, and the numbers on the backs of the riders were unrecognizable in the billowing dust.

"Number 120 is in the lead!" called out an official observer. "There is no Number 120," responded Mr. Ongarbayev, mystified. The winner was awarded a color television set. Second place won a smaller TV set, and third place a vacuum cleaner. Betting is not part of the tradition here.

Kaldabek Umarov won the six-lap trotting race, in which the horses are forced to keep their heads high as the riders endure a bouncing, kidney-jarring journey.

"I was lucky," he said, clutching a first-place vacuum cleaner. "My horse is too fat. There's another race in a week, and he should be in better shape." He added that this was his third vacuum cleaner prize of the year, but that it made no difference. "I don't ride for the prize. I like to hear my name called out."

European Deaths Rising As Cold Wave Persists

Compiled by Our Staff From Dispatches

BUCHAREST — An Arctic cold wave and accompanying blizzards have killed scores throughout Europe, the police and media reported Monday.

The weather played a role in at least 24 deaths in Romania and Bulgaria during the last three days. In Poland, 32 persons died, most of them homeless or others who passed out in the cold after drinking alcohol, the police said.

City officials in Moscow said that 11 persons had died from the cold and that scores of others were hospitalized during the last week as temperatures plummeted to unseasonal lows.

Hospitals in the Russian capital have treated 196 people suffering from hypothermia, the Interfax news agency said, citing city officials. November has seen the lowest temperatures in western Russia since records began, with the mercury plunging to minus 20 degrees centigrade (minus 4 Fahrenheit) on some days. On Monday, however, temperatures suddenly soared but remained below freezing.

Temperatures in central and eastern Poland during the weekend were as low as minus 20 degrees centigrade. The cold wave hit on Nov. 16, making it one of the coldest Novembers in Poland in recent years. Weather forecasters predict higher temperatures in the next few days.

In Romania, at least 21 persons died from the cold and in weather-related accidents on snow-covered roads since Friday. Temperatures plunged to minus 10 degrees centigrade (14 Fahrenheit) early Monday.

Dozens of trains were canceled and 200 communities were reported to be without electricity, the Libertatea newspaper reported. Some 15 major roads were blocked by snowdrifts as high as 1.5 meters (5 feet).

In France, the death toll from the cold snap rose to six persons, three of them homeless men. Fountains in front of the Eiffel Tower in Paris were completely frozen. After a cold weekend during which three deaths were reported, the temperature in Paris on Monday morning was minus 5 centigrade (23 Fahrenheit)—slightly higher than on Sunday.

About 100 homeless people staged a sit-in at the headquarters of the state-run medical assistance service in Paris to demand better protection in winter.

In Bulgaria, three persons died in the northwestern region of Montana, the daily newspaper 24 Chassa reported. Some highways were blocked and some areas were without power, phones and running water. The Black Sea ports of Burgas and Constanta in Bulgaria were closed because of storms, state radio reported.

In Greece, rainstorms disrupted flights and sailings, and dozens of remote mountain villages were isolated by heavy snow.

(AP, Reuters, AFP)



A homeless man in Toulouse, France, trying to escape in a makeshift tent from the cold wave that continues to grip Europe and take lives.

TRAVEL UPDATE

Rail Strike in Ireland

DUBLIN (Reuters) — Ireland's local and main-line rail services are likely to be hit by a one-day unofficial strike Tuesday after talks between unions and management failed during the weekend, Irish newspapers reported Monday.

The Irish Times said that about 300 drivers had threatened to take sick leave. The report warned of "traffic chaos" in Dublin's center.

Marley Theme Park

KINGSTON, Jamaica (AP) — A

theme park about the life and work of Bob Marley, the Jamaican reggae legend, will open Feb. 6 in Orlando, Florida, his widow said. The singer died of cancer in 1981 at age 36.

Correction

An article about a U.S. judge's order that stops Microsoft from shipping its own version of Sun Microsystems' Java programming language, in the Nov. 19 editions, misstated the year the companies signed the licensing agreement at issue in their dispute. It was March 1996.

Air-Navigation System: A Jamming Liability?

By Matthew L. Wald
New York Times Service

WASHINGTON — An improved navigational system for airplanes is nearing completion, but no one seems certain how well the satellite-based technology meets the aviation industry's extraordinary need for reliability.

But a U.S. missile attack on Iraq, if tensions escalate to that level, could provide a clue. Earlier this month, when an air strike against that country appeared imminent, civilian air navigation experts were intent on learning whether Iraq would be able to jam the electronic signals of the satellites, which are used for both military and civilian applications. And with many foreign-policy analysts still expecting an eventual attack, the navigational system may yet have its trial by fire.

The new method is based on the Global Positioning System, or GPS, a halo of two dozen satellites originally meant for troops and missiles but now also used by hikers, farmers, surveyors, trucking companies and many pilots of private planes to determine quickly and accurately where they are.

Some airlines have also begun using GPS for long trips over water, where there are no ground-based navigation aids available, as well as for landings and to augment other navigational methods. The Federal Aviation Administration formerly planned to use GPS to replace all ground-based navigation aids.

But to address reliability concerns, the Federal Aviation Administration is now thinking of retaining at least a third of the old system, which consists of an aging network of radio beacons called VHF omnidirectional radios, which are used for long-distance navigation, and instrument landing systems, which are available at a small number of runways.

If GPS were widely adopted for civilian aviation, air-traffic controllers could safely squeeze airborne jetliners closer together near big airports and the system would give even tiny airports first-class guidance capabilities. But GPS is subject to jamming—electronic interference that can disrupt signals from the satellites to navigational receivers.

Just how big a problem jamming might be—whether through mistakes or through deliberate steps by foreign enemies, terrorists or vandals—is open to debate. And with such uncertainty, no one knows for sure how much of the old system should be maintained as a backup.

Some answers may come from the Johns Hopkins University Applied Physics Laboratory, which is in the latter half of a six-month, \$500,000 study of whether GPS should replace all existing forms of civil aviation navigation aids.

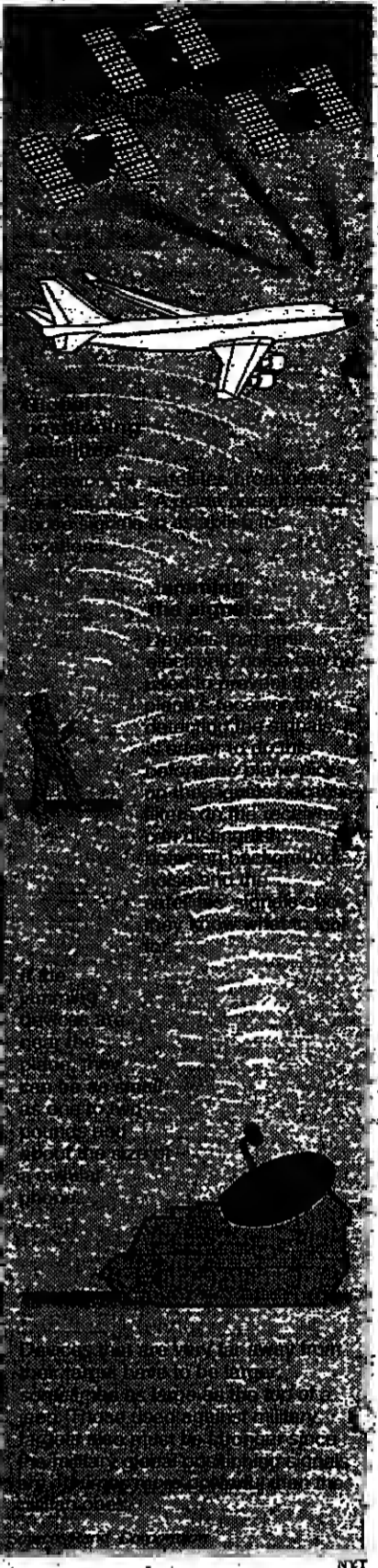
The study was recommended by a White House task force a year ago, because of concerns about jamming, and it is being sponsored by the aviation agency and organizations representing the major airlines and private plane owners.

"What we're looking at is, does GPS cover us in all circumstances?" said Helen Worth, a spokeswoman for the laboratory, which is in Laurel, Maryland. "If there is a circumstance where it could be disabled," Ms. Worth said, "I would say that's an area of concern."

The GPS system has already been accidentally jammed at least three times. In December 1997 and again in February of this year, airlines reported losing GPS signals near Albany, New York. Investigators eventually found that an Air Force laboratory in nearby Rome, New York, had used a five-watt transmitter to test the reception ability of antennas, and inadvertently left the transmitter running.

An aviation agency official cited a third case, involving a McDonnell Douglas plane in St. Louis that was testing a jammer for use on fighter planes.

But in these cases, because the full complement of conventional aviation navigation aids is still in place, the jamming was only an inconvenience.



AP/Wide World

Hostilities with Iraq, if they resume, would be a new category.

"This is going to be the Super Bowl of jamming," said Langhorne Bond, a former head of the FAA who has been arguing in recent months that his former agency needs to maintain a backup system and not rely solely on GPS.

Mr. Bond and others say that a new attack on Iraq would be the first instance of using GPS-guided weapons against a target country that knew they were coming. In the Gulf War in 1991, many of the cruise missiles had no GPS systems, with those missiles that did, the Iraqis had no experience with such weapons.

In last summer's U.S. cruise missile attacks against presumed bases of Osama bin Laden in Afghanistan and Sudan, the targets had no warning.

GPS receivers, whether a sophisticated device in a cruise missile or a portable gadget in a hiker's backpack, listen for signals from several of the satellites, each broadcasting its location and identity.

The receiver records the time of arrival of each satellite's signal to calculate the distance from the spacecraft. By combining several calculations from several satellites, a process known as triangulation, the receiver can determine its position. Some airlines already use GPS on long over-water routes, and private pilots use it widely for all sorts of flights.

WEATHER

Forecast for Wednesday through Friday, as provided by AccuWeather.



Dry and tranquil on Tuesday night in London and Paris. Wednesday and Thursday in New York and Washington D.C. through Friday with dry breezy with a passing shower Thursday, then dry and cool in Madrid, and cooler Friday. Chicago and Toronto will have a chance for snow on, but few showers Wednesday, over central and eastern then dry weather later in Europe and Russia, but not the week. Los Angeles will be dry and warm.

Maps, forecasts and data provided by AccuWeather, Inc. ©1998 — <http://www.accuweather.com>

North America

City	Today	Tomorrow	High	Low	Temp
Albuquerque	70-80	70-80	70	50	70
Anchorage	40-50	40-50	40	30	40
Atlanta	70-80	70-80	70	50	70
Baltimore	60-70	60-70	60	40	60
Boston	50-60	50-60	50	30	50
Buffalo	40-50	40-50	40	20	40
Calgary	30-40	30-40	30	10	30
Chicago	60-70	60-70	60	40	60
Denver	50-60	50-60	50	30	50
Dallas	70-80	70-80	70	50	70
Dayton	60-70	60-70	60	40	60
Des Moines	50-60	50-60	50	30	50
Detroit	50-60	50-60	50	30	50
El Paso	70-80	70-80	70	50	70
Fort Worth	70-80	70-80	70	50	70
Houston	70-80	70-80	70	50	70
Indianapolis	60-70	60-70	60	40	60
Jacksonville	70-80	70-80	70	50	70
Las Vegas	70-80	70-80	70	50	70
Los Angeles	70-80	70-80	70	50	70
Madison	50-60	50-60	50	30	50

Europe

City	Today	Tomorrow	High	Low	Temp
Amsterdam	50-60	50-60	50	30	50
Antwerp	50-60	50-60	50	30	50
Athens	70-80	70-80	70	50	70
Berlin	50-60	50-60	50	30	50
Birmingham	50-60	50-60	50	30	50
Bombay	80-90	80-90	80	60	80
Buenos Aires	70-80	70-80	70	50	70
Calcutta	80-90	80-90	80	60	80
Cardiff	50-60	50-60	50	30	50
Cebu	80-90	80-90	80	60	80
Chennai	80-90	80-90	80	60	80
Copenhagen	50-60	50-60	50	30	50
Dhaka	80-90	80-90	80	60	80
Dublin	50-60	50-60	50	30	50
Edinburgh	50-60	50-60	50	30	50
Hankow	80-90	80-90	80	60	80
Hong Kong	80-90	80-90	80	60	80
Kobe	70-80	70-80	70	50	70
London	50-60	50-60	50	30	50
Lyons	50-60	50-60	50	30	50
Manila	80-90	80-90	80	60	80
Moscow	50-60	50-60	50	30	50
Mumbai	80-90	80-90	80	60	80
Nairobi	70-80	70-80	70	50	70
Osaka	70-80	70-80	70	50	70
Paris	50-60	50-60	50	30	50
Peking	70-80	70-80	70	50	70
Rangoon	80-90	80-90	80	60	80
Rio de Janeiro	70-80	70-80	70	50	70
Rome	50-60	50-60	50	30	50
Sao Paulo	70-80	70-80	70	50	70
Seoul	70-80	70-80	70	50	70
Shanghai	70-80	70-80	70	50	70
Singapore	80-90	80-90	80	60	80
Sydney	70-80	70-80	70	50	70
Taipei	70-80	70-80	70	50	70
Tokyo	70-80	70-80	70	50	70
Yokohama	70-80	70-80	70	50	70

Asia

City	Today	Tomorrow	High	Low	Temp
Algeria	70-80	70-80	70	50	70
Algiers	70-80	70-80	70	50	70
Amman	70-80	70-80	70	50	70
Ankara	70-80	70-80	70	50	70
Antananarivo	70-80	70-80	70	50	70
Athens	70-80	70-80	70	50	70
Bahia	70-80	70-80	70	50	70
Bangkok	80-90	80-90	80	60	80
Batavia	70-80	70-80	70	50	70
Bombay	80-90	80-90	80	60	80
Buenos Aires	70-80	70-80	70	50	70
Calcutta	80-90	80-90	80	60	80
Cardiff	50-60	50-60	50	30	50
Cebu	80-90	80-90	80	60	80
Chennai	80-90	80-90	80	60	80
Copenhagen	50-60	50-60	50	30	50
Dhaka	80-90	80-90	80	60	80
Dublin	50-60	50-60	50	30	50
Edinburgh	50-60	50-60	50	30	50
Hankow	80-90	80-90	80	60	80
Hong Kong	80-90	80-90	80	60	80
Kobe	70-80	70-80	70	50	70
London	50-60	50-60	50	30	50
Lyons	50-60	50-60	50	30	50
Manila	80-90	80-90	80	60	80
Moscow	50-60	50-60	50	30	50
Mumbai	80-90	80-90	80	60	80
Nairobi	70-80	70-80	70	50	70
Osaka	70-80	70-80	70	50	70
Paris	50-60	50-60	50	30	50
Peking	70-80	70-80	70	50	70
Rangoon	80-90	80-90	80	60	80
Rio de Janeiro	70-80	70-80	70	50	70
Rome	50-60	50-60	50	30	50
Sao Paulo	70-80	70-80	70	50	70
Seoul	70-80	70-80	70	50	70
Shanghai	70-80	70-80	70	50	70
Singapore	80-90	80-90	80	60	80
Sydney	70-80	70-80	70	50	70
Taipei	70-80	70-80	70	50	70
Tokyo	70-80	70-80	70	50	70
Yokohama	70-80	70-80	70	50	70

Legend: heavy, mostly cloudy, cloudy, showers, thunderstorms, rain, snow, sleet, fog, haze, mist, drizzle.

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INTERNATIONAL

On the New European Economic Road Map, There's Not Much Left of the Left

John Vinocur

International Herald Tribune

PARIS — Europe's leftist governments have produced a document outlining their ideas on economic reform that they call The New European Way. It is no 10-lane highway to the horizon, but largely a familiar road, signposted less in pink than gray.

After a few weeks of remarks from new left-led governments in Germany and Italy that created the notion that Europe might be considering movement toward the control of currency markets and relaxing its economic performance targets, the paper cuts sharply in the opposite direction.

Instead, it embraces what has been economic orthodoxy in Europe since the Maastricht treaty. It insists it is comfortable with free trade and markets, and that a Europe led largely by Socialists and Social Democrats will defend monetary stability and budgetary rigor. None of the traditional levers of Keynesian policy familiar to the left are present in any conspicuous form.

What is left of the left in this cautiously framed outline that is miles from creed, passion or mani-

festos? The paper just brushes along the edges but does not dig into areas like tax policy coordination, wages and minimum social rights, where some of Europe's leftist governments are expected to press for standardization measures that critics may regard as an attempt to limit competition.

Made public on Sunday with the approval of Europe's Socialist finance ministers in Brussels, the document describes itself as a policy agenda "to help rebuilding confidence in the European Way."

NEWS ANALYSIS

Of the European Union's members, only Spain, Ireland, Luxembourg and Belgium currently have right-of-center parties participating in government — and probably none of them would have encountered difficulty in supporting the document.

As an initial attempt to outline a joint economic approach for a Europe turned leftward, the manner appears nonconfrontational, consensual and market-friendly, sharper in tone toward over-spenders than speculators.

Whatever its drafters' intention, or the document's possible effect on what it calls reconstructing a full-employment society, the paper has

much of the tone of the British Labour Party's effort to emphasize its ties to the ideas of social justice while defending the status quo of tight control over debt, deficits and public spending. There is no palpable echo of the calls of the German finance minister, Oskar Lafontaine, to bring target zones to exchange markets, or to suggestions from Italy that the euro's debt and deficit strictures could be softened to revive growth.

The document seems to simply turn its back on much of the specific leftist program elements present in the European debate since Tony Blair and Lionel Jospin took office in 1997 and Gerhard Schröder and Massimo D'Alema followed them this year.

The paper stays away from calls for cutting the work week, like Mr. Jospin's 35-hour concept. Public works projects have their place, it says, but the document directly calls for the liberalization of the telecommunications market, and insists that "the use of state aids has to be carefully controlled and monitored."

For an overall view, there is this formula: "The state acts where markets fail." But there is no push for a palpably stronger

hand on the control of financial markets, or anything resembling a proposition that would allow the Socialist governments to guide the positions of the European Central Bank. Neither is there a trace of Mr. Jospin's call last year for the formation of a so-called economic government to serve as a counterweight to the extensive powers of the ECB.

The European bank should take growth and employment into consideration as it seeks to protect price stability, the paper says, following the line of Stability and Growth Pact of Germany's former conservative finance minister, Theo Waigel. "Such a policy," the socialist document said, "as if noting the uncertainty caused by Mr. Lafontaine's remarks challenging the bank, must be conducive to credibility, certainty and predictability."

Mr. Lafontaine's concerns about currency swings are tacitly recognized — but his proposed solutions ignored — when the paper says Europe should "develop monetary cooperation between the major currency blocs with the aim of avoiding excessive exchange rate instability."

If a single phrase caught the paper's sense of

specific commitment to the stringent euro economic performance targets, and a simultaneously vague enunciation of social values, it came in this explanation of how the member countries could guarantee the success of European monetary union:

"Most European countries must be tougher on their current budget deficits, but at the same time sensitive to social developments. Only then will European countries achieve the sort of reduction in their current budget deficits to provide the room for maneuver we are seeking."

With wage policy a prerogative of national governments, the paper did not touch on one of the other areas where Mr. Lafontaine has brought a distinctly leftist tonality into the German government. He has called for European coordination on salary policy so that once the euro is in place a region or a state could not seek competitive advantage by lowering salary costs. Along the same lines, Mr. Lafontaine has called for minimum social standards, guarding against "social dumping," or the possibility that a state could use a comparatively low level of social protection to attract business.

Cost-Conscious Pentagon Supports Unilateral Cuts In U.S. Nuclear Arsenal

By Steven Lee Myers
New York Times Service

WASHINGTON — Driven by budget constraints as much as diminishing security threats, Pentagon officials are quietly recommending that the administration of President Bill Clinton consider unilateral reductions in the American nuclear arsenal.

Since the United States has already committed itself to drastic cuts in its nuclear arsenal, the Pentagon believes that unilateral reductions would have no effect on the country's ability to deter a nuclear adversary.

The recommendations, if adopted, would reduce the American arsenal below the 6,000 nuclear warheads allowed

by the first strategic arms reduction treaty, or START-1, senior administration officials said.

The United States and Russia have signed a second arms treaty, START-2, that would cut their arsenals even more sharply, to between 3,000 and 3,500 warheads. But for nearly six years, the Russian Parliament has refused to approve START-2.

Because of the delay, and U.S. legislation blocking unilateral cuts, the Pentagon faces the prospect of paying hundreds of millions of dollars to maintain, and soon to rebuild, nuclear weapons that the United States has agreed to scrap.

The Pentagon has spent \$95 million more over the past two years than it would have if START-2 had taken effect. Next year it would cost \$100 million more, and the year after that, \$1 billion.

The U.S. Navy, in particular, could be forced to pay more than \$5 billion from now to 2003 to refuel nuclear reactors and install new missiles on four Trident ballistic-missile submarines that would otherwise be dismantled.

In April 1997, the Pentagon submitted to Congress a highly classified report that outlined nine proposals for reducing the strategic arsenal unilaterally.

Neither Mr. Clinton nor Secretary of Defense William Cohen has made a decision on the recommendations, and a senior White House official said they would not do so until the Communist-dominated Russian Parliament completed its latest deliberations on START-2, which was signed in 1993.

Although Russian nationalists and Communists have vehemently opposed the treaty, the lower house, or State Duma, has begun debate and could vote as soon as December.

The Pentagon's recommendations underline the stakes. The ratification of START-2 would not only rid the world of thousands of nuclear warheads, but would also save the United States billions of dollars that the Pentagon would rather spend elsewhere or that Congress might allocate to other programs.

Officials in Washington and Moscow agree that prospects for ratification have improved as the realization sinks in that Russia's economic problems have made it difficult for the country to maintain a nuclear force as large as that allowed by START-1.

"I'm reluctant to discuss at all Plan B," one White House official said of the Pentagon's recommendations, "when we have the best on-course momentum here in a long, long time for Plan A."

But if the Russian Parliament again rejects the treaty, officials in the Pentagon plan to recommend that Mr. Clinton seek permission from Congress to move ahead with unilateral reductions. The officials said a decision could come as part of the budget Mr. Clinton will submit to Congress early next year.

Admiral Richard Mies, the new commander of the U.S. strategic arsenal, said the United States was committed to maintaining a "robust and credible force." But he suggested that this effort did not preclude unilateral cuts in warheads or the systems to deliver them.

"I think you will inevitably see us take some unilateral actions that we have to take to modernize our forces and maybe streamline our forces to some degree," Admiral Mies said in an interview last week at the U.S. Strategic Command headquarters at Offutt Air Force Base in Nebraska. "We're driven by our own imperatives."

He did not elaborate on what steps were under consideration. In recent weeks, however, Pentagon and administration aides have begun discussions with congressional staff members as they draw up next year's budget and decide whether to set aside enough money for a larger nuclear force, the officials said.

In each of the last two years, Republicans in Congress have put language in the Department of Defense's budget bills explicitly prohibiting reductions below START-1 levels by the United States alone. Some administration officials and members of Congress have contended that the legislation is necessary to press the Russians to ratify START-2.

Others dispute the effect that such legislation has had on the Russian Parliament's deliberations, and contend that unilateral reductions could revive a stagnant arms control process.

"The issue is, how much longer are we going to pay to stay at a higher level to retain some leverage over the Russians to ratify the treaty?" a senior defense official said.



The German defense minister, Mr. Schröder, at a wreath-laying Monday at the Tomb of the Unknown Soldier in Washington.

U.S. Rejects Any NATO Shift

WASHINGTON — The United States rebuffed on Monday a suggestion by Germany's new government that NATO change its policy and declare it will not be the first to use nuclear weapons in a conflict.

"It is an integral part of our strategic concept and we think it should remain exactly as it is," Defense Secretary William Cohen said. "It is something that is integral to the NATO strategic doctrine. There is good rationale for keeping it as it is."

Secretary of State Madeleine Albright relayed the same message to Rudolf Scharping, defense minister in the new government of Chancellor Gerhard Schröder, during talks in Washington on Monday.

The German foreign minister, Joschka Fischer, told Der Spiegel magazine in Bonn during the weekend that he had signaled to NATO's secretary-general, Javier Solana, Madrid, that Germany wanted to discuss the alliance's readiness to be the first to use nuclear weapons "because we see things differently."

A NATO summit meeting in Washington

next April marking the 50th anniversary of the alliance will approve a new strategic concept. U.S. officials said the no-first-use issue would also be discussed at meetings of alliance foreign and defense ministers in Brussels next month.

Germany sought Monday to reassure its NATO partners about any change in the alliance's option on using nuclear weapons. Mr. Fischer believed it was time to discuss going away with the right to be first, but Foreign Ministry spokesman said in Bonn:

"All questions of this nature have to be decided in consensus," the spokesman, Martin Erdmann, stressed.

But Mr. Cohen, speaking at a Pentagon news conference, made it clear that the United States was not ready for change.

"We think that the ambiguity involved in the issue of the use of nuclear weapons contributes to our own security, keeping any potential adversary who might use either chemical or biological weapons unsure of what our response would be," he said.

MRS. CLINTON: Tapping Her Savvy on Issues, She Becomes Year's Surprise Politician

Continued from Page 1

independent life she is more likely to lead after this is all over," Doris Kearns Goodwin, the historian steeped in the struggles of Eleanor Roosevelt, said of Mrs. Clinton's ability to forge a political identity beyond her charismatic, wayward husband. "Hillary Clinton showed a certain kind of strength under enormous pressure, an ability to keep her public persona strong and classy while the turmoil was going on about her. These are qualities needed in public life. Maybe it's going to be her turn next."

Some Democrats already speculate on whether she might eventually run for the Senate — her campaign popularity was high in her home state of Illinois — and so truly prevail beyond her husband and his harrowing incumbency.

Such beady talk is remarkable considering how she was the first lady once demonized by critics as the unelected overreacher when her early health-care effort failed. Talk-radio conservatives have long delighted in finding her ambitious hand in such haunting issues as Whitewater.

"Well, now Hillary has become the Wronged Woman and has the sympathy factor, which is something everybody is much more comfortable with than the strong, determined Hillary," said Arianna Huffington, a conservative columnist, fascinated by the first lady's resilience at the side of her husband.

Ms. Huffington measured the upturn in Mrs. Clinton's popularity even before the sex scandal, the columnist said, "when she abandoned the tough issues." The first lady, Ms. Huffington

said, retreated to more traditional helpmate projects, including children's issues, a premillennial touring in behalf of national heritage, and her new book, "Dear Socks, Dear Buddy: Kids' Letters to the First Pets."

Mrs. Clinton remains in overdrive after her 19-state tour of speaking relentlessly for scores of Democratic candidates. She has just finished a tour of Latin America, with special attention to hurricane-ravaged areas, and has national heritage trips planned to New York, Boston and California, before she heads to the Middle East with the president next month.

"Nobody," she said, "has been shoving off public humiliation as elegantly as Mrs. Clinton," concluded The Economist. The first lady was hailed by the British weekly as both "the most ruthless of her husband's spin doctors" and his most enduring defender.

Some Clintonites still rue her reported dominance in the White House's early opposition to an out-of-court settlement in the Paula Jones sexual misconduct lawsuit — the fuse that lit the sex-and-mendacity scandal now before Congress. "But they bless her steely performance, since then in contending that the problem was rooted in some 'vast right-wing conspiracy,' and not in the president's outright denial of sexual dalliance about which he finally had to admit misleading the nation," Mr. Clinton also said he misled his wife.

As the year unfolded, Hillary found this inner strength, said Anna Wintour, editor in chief of Vogue, explaining why the story was put on the cover. "I think she psyches herself into this battle mode and goes forward, not looking right or left. She told us she doesn't even read the newspapers."

The Vogue display coincided with Mr. Starr's latest Whitewater indictment of Webster Hubbell, the former Justice Department official and law partner of Mrs. Clinton to Little Rock, Arkansas. The first lady was repeatedly referred to in the indictment as the Hubbell "hilling partner." This was an echo of the confrontation three years ago when a carefully composed Mrs. Clinton had to walk past a throng of journalists to go before a grand jury in Mr. Starr's unsuccessful attempt to implicate her in Whitewater crimes.

"Hillary Rodham Clinton is not the kind of woman those men understand," Ms. Wintour said of the Starr investigators' frustration in trying to single out the first lady, only to see her become the pillar in the president's job-approval rating.

Senator Barbara Boxer, Democrat of California, who was re-elected with the aid of Mrs. Clinton, recalled the power of the first lady's several campaign visits at some of the worst moments of the year for the Clintons. "She had the courage to face the cameras, a courage that brought a lot of people to their feet," Ms. Boxer said. "Her special quality is to see a larger picture than the daily travails of life."

Senator Robert Torricelli, the Senate Democratic campaign chairman, studied Mrs. Clinton closely in her tour and praised her passion for the task. "You could see the strain on her," Mr. Torricelli said. "But what is most remarkable is that there was no one even close to being in demand like Hillary Rodham Clinton as a campaigner. Something powerful has taken place."

DEAL: America Online and Netscape Talking

Continued from Page 1

the ability and the resources to change the competitive landscape overnight," he said, according to Reuters.

The companies cautioned that the purchase negotiations were not complete. AOL said, "There can be no assurance that an agreement will be reached or a transaction consummated."

Both companies' stock prices rose as the Dow Jones industrial average reached a record high Monday. Netscape's stock was at \$41.875, up \$2.6875, a sign that the preliminary price of the deal, which values Netscape at \$38.19 a share based on Friday's closing prices, may not be high enough. AOL rose \$5.125 to \$90.

By buying Netscape, America Online, already the largest on-line service, with more than 14 million subscribers worldwide, would get control of Netscape's popular browsing software, as well as one of the most frequented Internet destinations, Netscape's Netcenter site, which sees 20 million visitors a month.

AOL's home page on the World Wide Web is popular too, but analysts say it fails to attract many of the corporate users that Netscape does.

Both the AOL and Netscape sites are "portals," or jumping-off points for people signing on to the Web; by adding Netscape, America Online would rival or surpass Yahoo! Inc., which operates the largest portal site, in the size of its Internet audience, according to

the brokerage firm BT Alex. Brown. Portal sites bring together news, stock quotes, weather and other on-line information. Advertising sold on such sites goes for a premium, though few Internet companies are making profits.

Netscape dominated the market for browsers, or software used for viewing information on the Internet, until 1995, when Microsoft created its own browser, called Internet Explorer. By giving Explorer away and then by including the browser in its ubiquitous Windows operating system, Microsoft was able to quickly weaken Netscape's base.

Microsoft was also helped by AOL's decision in 1996 to make Internet Explorer the main browser for its on-line service. That contract expires in January, a deadline that probably spurred the AOL-Netscape merger talks.

A survey by International Data Corp. in July showed that Netscape's browser had slipped to holding 41.5 percent of the market from more than 80 percent in 1995, while Internet Explorer was up to 43.8 percent, including AOL's 16.3 percent.

Web Netscape to be absorbed by America Online, subscribers to AOL probably would not notice much difference. AOL could run the Netcenter site separately from its own and distribute Netscape software as Netscape does now. It could replace the Microsoft browser that is built into its software with a version by Netscape, though many AOL users are unaware that the



James Barksdale, chief executive of Netscape Communications Corp.

default browser is a Microsoft product. While AOL dominates on-line access in the United States — far surpassing membership in Microsoft's own MSN.com — the rest of the on-line world is more splintered.

An AOL venture co-owned by Berlitzmann AG of Germany is vying with Deutsche Telekom AG's T-Online service for leadership in Europe, but otherwise, numerous Internet service providers, cable companies and utilities compete to sign up Internet users. America Online this year bought CompuServe Inc., also a pioneer in its field, which gave AOL a much more extensive network in Europe and Japan.

STRIKE: Rail Workers Across Europe Protest EU Plans to Privatize Freight Traffic

Continued from Page 1

the social climate and threats to jobs.

The strike halted many long-haul services in Europe, including the Thalys high-speed express trains between Paris and Brussels and points farther to the north and the east. But the Eurostar high-speed service between Paris and London operated normally.

The entire Belgian network was shut down, creating fresh woes for travelers whose journeys were disrupted because of a fire at Brussels' Midi station on Friday that cut overhead power cables. The state railroad operator, SNCB, took advantage of the strike Monday to repair installations damaged in the fire.

Neil Kinnock, the EU commissioner in charge of transportation, said the issue of rail privatization was not even on the agenda for next week. "The only item for discussion," he said, "is a package of essentially technical measures that are designed to enhance the efficiency and

the attractiveness of rail freight and to harmonize the technical side of rail operations in order to ensure that international rail services compete on an even footing."

Mr. Kinnock said the proposals were broadly supported by the EU's 15 member states because they understand "that the huge loss in rail's share of the freight market has to be reversed if rail is to survive as a significant transport mode."

From 1970 to 1996, he said, rail's share of freight traffic in the 15 countries fell to 14 percent from 32 percent, while its share of passenger traffic fell to 6 percent from 10 percent, "and this despite continuing financial support from governments."

Unions fear the proposals will lead to the piecemeal breaking up of the railroads, as has happened in Britain, where organizations representing travelers report dramatic declines in the level of service and steep rises in ticket prices.

Mr. Kinnock, a former Labour Party

leader, said he understood the unions' concerns, and he acknowledged that the commission's strategy "does pose major challenges to the conventional culture and practice of the rail industry and to the traditional policies of some governments."

But without radical changes, he warned, there would be no rail traffic worth speaking of within 20 years because of the intensifying challenge of cheap road transportation.

"Our proposals do not pose a threat to jobs," he said. "The great and continuing menace to jobs comes from the way in which rail is losing shares of the transport markets."

The measures proposed by the commission include rules for allocating train paths and operating licenses, and for charging train operators for using the track and other infrastructure. They also set out to ensure that rail service operators are independent of the track managers. Changes in this direction already

have been carried out in several countries, including France, where the state operator, SNCF, has split its operational and track divisions.

The commission proposes to open up one-quarter of freight traffic to competition within 10 years. In fact, a commission spokeswoman, Sarah Lambert, said the process would probably take a good while longer. "It took us 10 years to liberalize air transport and that was in a global market with global pressures, so I think it will be a lot longer and there we will be a lot more debate before we see that in rail transport," she said.

The strike halted two-thirds of services in France. In Greece, trains came to a halt in the two main cities, Athens and Salonika.

Officials at the Spanish rail company, Renfe, said that some service was available on all lines and that passenger levels were near normal. Portuguese rail workers walked out for one hour, causing relatively minor disruption.

EUROPE

Austria to Start Returning Artwork Looted by Nazis

But Toughest Cases Aren't Covered by New Law

By Judith H. Dobrzynski
New York Times Service

NEW YORK — Austria, whose Parliament has just given final approval to a law permitting restitution of hundreds of artworks seized by the Nazis, expects to return some works to their owners by Christmas. But the law will not resolve some of the toughest cases involving many of the most valuable works.

The law covers paintings, furniture and other artifacts held by the Austrian government, Culture Minister Elisabeth Gehringer said in an interview in New York. After World War II, the government returned some works confiscated by the Nazis but also instituted an art export ban, refusing to allow people who had fled the country to reclaim all of their property.

Most of the cases are known, Mrs. Gehringer said, because in January Austria's 10 state museums were ordered to review the provenance of works in their collections. The order followed an uproar over two Egon Schiele paintings that were lent by an Austrian foundation to the Museum of Modern Art in New York a year ago and then claimed by two American families.

But Mrs. Gehringer said the new law did not apply to the Schiele paintings, nor to cases like that of a Los Angeles resident, a niece of the renowned collectors Ferdinand and Adele Bloch-Bauer, who claimed several important paintings

by Gustav Klimt. "These cases have to be dealt with by a court, and I am not a court," said Mrs. Gehringer, who was in New York to check the progress of a teacher exchange program between Austria and New York City schools.

Mrs. Gehringer said she expected restitution to involve perhaps 20 families and 400 to 500 items, including furniture, armor, coin collections and some paintings. Under the law, a seven-member advisory panel, including the finance and justice ministers, will review claims and offer advice on specific restitutions.

"Once the advisory commission gives its recommendations, we have to check the last wills and see if the claimants are indeed the rightful heirs" before restitution can take place, she said.

Mrs. Gehringer said each family would decide whether to make its claim public. Many in the art world expect the first case to involve the Austrian branch of the Rothschild family, many of whose works hang or are stored in the Kunsthistorische Museum and the National Gallery.

"All the facts are clear on that case," said Mrs. Gehringer, who added that the Austrian public, which in the past has been accused of foot-dragging on restitution if not ignoring the issue completely, now was aware of it and supported the new law.

"I attach particular importance to the fact that there will be no discussion of the value of these paintings in our considerations," she said.



A CZECH IN SLOVAKIA — An honor guard marching past Prime Minister Milos Zeman of the Czech Republic, left, and his Slovak counterpart, Mikulas Dzurinda, in Bratislava on Monday.

The Bloch-Bauer case is being pressed by Maria Altmann of Los Angeles. She is named as a beneficiary in the will of her uncle, Ferdinand Bloch-Bauer, who owned seven Klimt paintings, including two famous portraits of Mr. Bloch-Bauer's wife, Adele, as well as a famed porcelain collection and other paintings and property.

Plan to Auction Plundered Art

The World Jewish Congress wants the more than 2,000 works of art identified as stolen by the Nazis and now

held by museums in France to be auctioned off, Agence France-Presse reported Monday from New York, quoting a Congress official.

This request is to be formally presented next week in Washington during a conference on the Holocaust organized by the United States. Ronald Lander, president of the Congress's Art Recovery Commission and head of the Estee Lauder cosmetics group, is then expected to travel to France and other European countries whose museums also hold pieces plundered by the Nazis.

Italian Leader Scolds Turks on Kurdish Policy

Reuters

ROME — Prime Minister Massimo D'Alema told Turkey on Monday that it should show signs that it wants to resolve its Kurdish problem peacefully and respect human rights if it wishes to join the European Union.

Speaking at his weekly news conference amid a dispute with Ankara over Italy's decision not to extradite the Kurdish rebel leader Abdullah Ocalan to Turkey, Mr. D'Alema said, "If Turkey wants to get closer to Europe, it should give signals for a peaceful resolution of the Kurdish conflict and for the respect of human rights."

Mr. D'Alema said that instead there had been reports of "mass arrests of people who think differently, of lynchings — painful reports."

He added, "Turkey should be giving signals of a completely different kind than the ones they are."

Mr. D'Alema, the first Italian prime minister to have been a member of the Communist Party, referred specifically to a report that the European Commission issued Nov. 4, which criticized Turkey's human-rights record. He said the commission report talked of "destruction of villages, abuse of human rights, illegal arrests, persons beaten to death."

Turkey's relations with the EU turned sour after an EU summit meeting last December at which 10 East European countries and Cyprus were invited to join membership talks but Turkey was not. Separately, the Italian defense min-

ister, Carlo Scognamiglio, said that a Turkish threat to exclude Italian companies from defense-industry contracts might harm its bid to join the EU.

Turkey had signaled that the Finmeccanica unit Agusta SpA was in the running for a \$3.5 billion contract to build 145 attack helicopters. But the Turkish defense minister, Ismet Sezgin, was quoted by the Anatolian news agency on Sunday as saying, "We will not invite a single Italian firm to participate in tenders to meet the needs of our defense industry or our armed forces."

Mr. Scognamiglio said he was "disappointed" by Mr. Sezgin's reported comments. He added that during a meeting of the Western European Union in Rome last week, Mr. Sezgin told him he understood Italy's position on Mr. Ocalan.

Mr. Ocalan leads the Kurdistan Workers Party, which is seeking Kurdish autonomy in southeastern Turkey, and he is viewed in Turkey as a terrorist.

The Italian Constitution forbids the extradition of a suspect to a country where the death penalty is in force.

An Agusta executive appeared to brush off the controversy, however, saying the process of allocating such a large helicopter order would take several months. "By the time they have to make a decision, let's hope the crisis will have blown over," the executive said.

Meanwhile, the Vatican, in its first official reaction to Mr. Ocalan's arrest, said it recognized the aspirations of the Kurdish people and urged dialogue on all sides to solve the Kurdish issue.

BRIEFLY

Opposition Leader Disputes Albania Vote

TIRANA, Albania — The opposition leader Sali Berisha accused the "political mafia in power" on Monday of manipulating Albania's referendum on its first post-Communist constitution and urged his supporters to rally in protest.

Speaking at a Tirana hotel, Mr. Berisha said the police had signed ballot papers that should have been signed by local election commission officials.

An official result was not expected until Tuesday, but the Socialist-led government of Prime Minister Pandeli Majko said more than half of the electorate had voted in the referendum on Sunday.

"I call on Albanians to defy this," Mr. Berisha, a former prime minister who leads the Democratic Party, said of the turnout figures. (Reuters)

Turkish Conservatives Are Spared Graft Trial

ANKARA — Turkish parliamentary commissions ruled Monday against sending Prime Minister Mesut Yilmaz and former Prime Minister Tansu Ciller to the Supreme Court on corruption charges, commission members said.

Deputies from the two competing conservative parties headed by Mr. Yilmaz and Mrs. Ciller voted in favor of the two leaders — a sign the two rivals may cooperate in the search for a new government. Mr. Yilmaz's minority government, mired in a quarrel over the sale of a state-run bank, is expected to fall on a no-confidence vote in Parliament on Wednesday. (Reuters)

Schroeder Rules Out Further Cuts in Taxes

BONN — Chancellor Gerhard Schröder ruled out further tax cuts in a rebuff Monday to the right wing of his Social Democratic party, which has broken ranks on economic policy.

Mr. Schröder, still smarting from criticism that his center-left coalition had bungled its first attempt at tax reform, said he could not reduce taxes beyond the 15 billion Deutsche marks (\$8.8 billion) already announced.

"My government wants a solid and stable financial base," Mr. Schröder told a conference on tourism. "With this in mind, a further reduction in taxes cannot be carried out."

Social Democratic leaders in three of Germany's states have criticized the new federal government's tax reforms as too little to boost growth and cut unemployment, a central election pledge. (Reuters)

France Tries 8 For Terrorism

Reuters

PARIS — Eight suspected members of the banned Islamic Salvation Front in Algeria went on trial Monday in Paris on charges of smuggling arms to Muslim rebels trying to overthrow the Algerian government.

They are suspected of belonging to a network headed by Djamel Louici, a 35-year-old Algerian under house arrest in Italy, where he faces trial. They face up to 10 years in prison each on charges of conspiring to commit terrorism.

A French court has already sentenced Mr. Louici in his absence to five years in prison for arms smuggling in another case concerning Morocco. Three other suspected members of the network have been jailed for 13 months to six years.

Ukraine Opens Trial in Spree Of 52 Murders

Compiled by Our Staff From Dispatches

ZHITOMIR, Ukraine — A man accused of savagely murdering 52 people in a killing spree went on trial Monday, more than two years after his arrest in western Ukraine.

The man, Anatoli Onuprienko, 39, bowed his head and ignored journalists and about 200 angry spectators who pushed into the court chamber to catch a glimpse of the self-confessed killer.

"He's an animal, not a human being," whispered Yekaterina, a 64-year-old woman who strained to see over the rows of fur hats and coats. "They ought to hand him over to the relatives of his victims and the witnesses so that they can tear him apart."

The brutality of the murders, in which entire families were shot in their homes and set ablaze, rocked the nation between 1989 and 1996. Most of the killings occurred over a three-month period before his arrest in April 1996.

"He understands perfectly well what he did and admits his guilt," said the state-appointed defense lawyer, Ruslan Mosikovsky. "In such situations, people understand that clemency is unlikely; the lawyer continued, "but a person always has hope nevertheless."

Mr. Onuprienko stared straight ahead as about 15 policemen accompanied him into the regional courtroom and locked him in a metal defendants' cage.

In a calm, monotone voice, he told the court he was not a citizen of any state and declared himself a "prisoner of war." Otherwise, he studiously ignored the public gallery and stared at the ceiling.

Mr. Onuprienko is charged with killing 42 adults and 10 children, a reign of terror that ended only when detectives discovered at his home a stolen hunting rifle that had been used in the killings.

The accused faces death if convicted, although as a member of the Council of Europe, Ukraine has vowed to scrap capital punishment.

At one point in the investigation, the accused had said he heard voices telling him to carry out the killings but later pronounced himself mentally healthy. He told Judge Dmitro Lypsky that he had been treated previously at a psychiatric hospital.

He said his mother had died when he was 4 years old and his father and older brother had put him in an orphanage at age 7.

Later, after going through a string of jobs, he illegally left the country in 1989, drifting through Austria, France, Greece and Germany, from where he was expelled in 1995 after serving a six-month jail term for robbery.

Investigators say that Mr. Onuprienko followed the same pattern for each murder, targeting isolated houses, first shooting all the men to death and then massacring the women and children with a knife, ax or hammer. (Reuters, AFP)



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مركز الامن الاصل

INTERNATIONAL

Rival Iraqi Groups Unite on Toppling Saddam

By T.R. Reid
Washington Post Service

LONDON — Dissident Iraqi groups asked the United States and Britain on Monday to create a sanctuary inside Iraq where they could set up an opposition government to try to foment an internal uprising against Saddam Hussein.

Opening two days of talks with British and American diplomats, 16 bands of Iraqi exiles put aside their often-bitter differences and declared that the fall of Mr. Saddam could be achieved by an internal coup, if London and Washington were to provide support.

"The overthrow of Saddam is a job for the Iraqi people," said Nabil Musawi of the Iraqi National Congress, an umbrella organization for the many anti-Saddam political groups based in London.

"If we had an enclave in the South of Iraq, or the West, protected by air cover, that would provide a space for a pro-

Exiles Ask U.S. and U.K. for Enclave in Iraq

visional government to get started on toppling Saddam."

Mr. Musawi said this plan was one of several proposals the Iraqi dissidents made in a meeting at the British Foreign Office on Monday with Derek Fatchett, the official responsible for British policy toward the Middle East.

The Iraqi exile groups will meet Tuesday in London with Martin Indyk, the U.S. assistant secretary of state for Near Eastern affairs, to make a similar proposal.

The United States and Britain, leaders of the international alliance struggling to make Mr. Saddam comply with United Nations weapons inspections, have turned toward the Iraqi dissident groups, most of them based in London.

The West is looking for new ways to deal with Mr. Saddam, a survivor who has kept an implacable grip on power through seven years of financial sanc-

tions and military threats since the Gulf War.

The United States has set up a \$97 million fund to support Iraqi dissidents. Prime Minister Tony Blair of Britain suggested in Parliament last week that increased dissident activity might be a more effective means of solving the Iraq crisis than threats and sanctions from the West.

Still, the session with the dissidents left the British dangling from a diplomatic high-wire Monday.

Mr. Fatchett spent an hour with the dissident groups, all of whom have expressed their determination to overthrow Mr. Saddam. After the session, Mr. Fatchett said his country was ready and willing to help the dissidents. But just when all seemed clear, Mr. Fatchett made things foggy. "To overthrow Mr. Saddam," he said, "that is not our purpose."

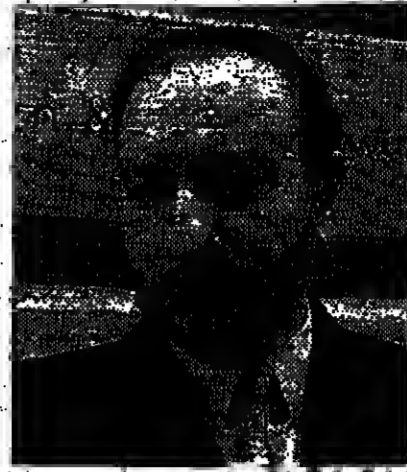
Mr. Fatchett was evidently making

the point that the British and American governments did not have the right to determine who should or should not be running the government of a sovereign nation, even a persistent enemy like Iraq. But if the dissident Iraqi groups could find a way to topple Mr. Saddam's government, London and Washington would be satisfied with that result.

"It is the Iraqi people who should do the job of toppling Saddam and his regime," said Hamid Bayati, head of the Supreme Council for Islamic Revolution. "But they should be able to work independently in their own ways to achieve this objective."

Iraq Explains Objections to UN

Iraq sent a letter to the United Nations Security Council shortly before the body was due to meet Monday to explain its objections to handing over documents demanded by the chief UN weapons inspector, Reuters reported from Baghdad.



Hamid Bayati leaving the Foreign Office in London on Monday.

The move came as Iraq's state media reported that the vice chairman of Iraq's Revolutionary Command Council, Izzat Ibrahim, had escaped an assassination attempt in southern Iraq on Sunday. The Iraqi press agency, INA, said Mr. Ibrahim was unhurt in a grenade attack.

BRIEFLY

Bahrain Holds 6 In Sabotage Case

MANAMA, Bahrain — The government of Bahrain said Monday that six people had been arrested on suspicion of planning to carry out acts of sabotage intended to destabilize the Gulf state.

The Gulf News Agency quoted an Interior Ministry official as saying that five of the suspects were from Bahrain and one was from Lebanon.

The official said the six had been accused of smuggling arms into Bahrain, and alleged that they had been trained in the use of arms and explosives at a camp in southern Lebanon. (Reuters)

Iran Seeks Killer Of a Party Leader

TEHRAN — Iran's judiciary chief, Ayatollah Mohammed Yazdi, called Monday for the prompt arrest of those responsible for stabbing to death a veteran opposition figure and his wife, the official Iranian press agency, IRNA, reported.

Ayatollah Yazdi "expressed regret over the killing of Dariush Forouhar and his wife and ordered the prompt identification and punishment of the perpetrators," the agency said. The police said that no motive had been established in the killings of Mr. Forouhar, 70, and his wife, Parvaneh, 58, both outspoken critics of the government.

Mr. Forouhar was the leader of the Iran National Party. The group called last month for a boycott of elections to choose a clergy-based Assembly of Experts that advises Iran's religious leader. (Reuters)

Mrs. Clinton Vows More Storm Relief

PIGNON, Haiti — Hillary Clinton ended a trip to the Caribbean and Central America with promises of additional aid for those struggling to rebuild after the hurricane designated Mitch.

In Haiti, the last stop on a 7-day tour, the U.S. first lady said Sunday that Washington would add \$2.1 million to a \$12 million relief package. She also visited the U.S.-supported Bénéficiaire Hospital in Pignon and praised the facility's 500 midwives. (AP)

Moscow Mayor Plays Centrist Card

By Celestine Bohlen
New York Times Service

MOSCOW — All fall, as Russia drifted from crisis to crisis, Yuri Luzhkov, the pugnacious and energetic mayor of Moscow, kept trying to jump-start his undeclared campaign to succeed President Boris Yeltsin, using every opportunity to muscle his way onto the national stage.

As the undisputed boss of Russia's biggest city, Mr. Luzhkov already has a political arsenal. With control over a major television station, several key newspapers and the country's second-largest printing press, he has considerable sway over the news media. And with his grip on the city's large business and financial empire, he does not lack for funds.

Last week, Mr. Luzhkov filled the one remaining gap in his political agenda with the creation of a national centrist party. To the surprise of some political observers, it took off with a full head of steam.

"All of a sudden, there is a hysteria of political love for Luzhkov," said Mikhail Berger, editor of the daily newspaper Sevodnya. Even Viktor Chomomynin, the former prime minister once anointed as Mr. Yeltsin's heir apparent, announced he would support Mr. Luzhkov for president, a sign that the Moscow mayor's fortunes have taken a sudden lurch forward in the race to fill the space left vacant by Mr. Yeltsin's shrinking political influence.

The cold-blooded murder last Friday in St. Petersburg of Galina Starovoitova, a leading liberal democrat, sent shock waves through Russia's fragile body politic, raising fears that time is running out for national debate.

Mr. Luzhkov, abandoning a brief flirtation with Russia's Communist Party, has chosen to aim squarely at the political center. At a founding meeting on Thursday, he said his Fatherland party would steer clear of extremism and "absorb everything that's logical from the left, and everything that is logical from the right."

That said, most Muscovites seem to think the new party's real goal is to put Mr. Luzhkov in the Kremlin, even though he still says he is only considering a run. Earlier this fall, Mr. Luzhkov, once a loyal Yeltsin ally, took pains to distance himself from the embattled president with a public suggestion that Mr. Yeltsin step down before his term ends in 2000.

In the meantime, he has gathered in several former Yeltsin aides, including former National Security Council chief, Andrei Kokoshin, and former Interior Minister Anatoli Kulikov. More significant, the Luzhkov bandwagon has collected other names, and other forces, including some 20 regional governors, old-guard industrial managers, labor leaders and even some members of Moscow's new business elite, many of them beholden to city hall.

Without a strong team of economic

advisers, Mr. Luzhkov has blundered his way through the continuing debate over how to extricate Russia from its economic debacle, pledging support for both a market economy and vigorous state control and blasting Russian reformers and their Western advisers for pushing Russia to the brink of collapse.

Yet, after six years as Moscow's mayor, Mr. Luzhkov has his own record to run on, a record that can boast of ambitious public works projects that have been finished in record time, special benefits for the needy, and a central area filled with luxury shops.

Mr. Luzhkov also has an authoritarian style, however, that has kept a tight control over the transfer of city property and business to organizations closely linked to city hall.

Mr. Luzhkov's political muscle is most keenly felt by the Russian news media. For the most part, they are openly loath to tangle with the mayor, or investigate the city's business dealings. Not only has Mr. Luzhkov filed, and won, numerous libel suits against offending publications, but he is also known to have doled out, and withheld, the kind of municipal favors that are often necessary for hard-up publishers to survive.

To criticize Yeltsin in Russia today is completely safe," noted Otto Latsis, a political commentator for New Izvestia, a daily. "But everybody is afraid of Luzhkov because the city has real power. Yoo may own your building, but the land beneath it belongs to the city. If



Mayor Yuri Luzhkov speaking at an international conference last year.

you need to find apartments for your employees, you have to go to the city. It is all in Luzhkov's hands."

With the recent transfer of the Moskovskaya Pravda printing plant from the federal to the municipal government, city hall now controls the presses used by most of Moscow's major newspapers.

"He has enormous power in his hands, and he has created a structure that could be easily abused," Mr. Berger noted.

The city of Moscow not only has a major interest in several popular newspapers, but it finances its own television station and a weekly newspaper that is now distributed free.

With presidential elections scheduled

for mid-2000, Mr. Luzhkov's national effort still has plenty of time to fail. As the economic crisis deepens, Moscow's glittering image as Russia's sole success story stands to get tarnished, and with it, Mr. Luzhkov's reputation as one of the few Russian politicians who can deliver. Already, money is running short at the city-owned television station and Moscow, like Russia, is now struggling to keep up payments on its public debt.

Some experts say Mr. Luzhkov's strongest opponent could be Prime Minister Yevgeniy Primakov, whose success at calming Russia's political waters over the last two months has lifted his standing in public opinion polls.

BEEF: Lifting Ban, EU Approves Exports of Meat From Britain

Continued from Page 1

system their approval earlier this month, leading Franz Fischler, the EU's agriculture commissioner, to say before the meeting Monday, "We have the backing from scientists."

Britain's agriculture minister, Nick Brown, said, "We have done what we were asked to do and can justify Britain's position on the basis of science and technical implementation."

Mr. Brown said Britain had agreed to one further cut—the slaughter of 4,000 offspring born after Aug. 1, 1996, to

cows infected with the virulent disease.

The final step, considered a formality after the vote Monday, is for a team of EU inspectors to come here to certify that all the safety standards are in place. Mr. Brown said he hoped that would take place within two months.

The cost to the British taxpayers to shore up failing businesses and recompense farmers and slaughterhouses is expected to have reached the equivalent of \$ 6 billion by 2000.

The plan agreed to by the EU farm ministers on Monday will end export restrictions on deboned beef from cattle

aged 6 to 30 months. The animals would have to be born after August 1996, when potentially contaminated cattle feed from animal remains, the suspected cause of the outbreak, was removed from farms and feed mills.

The volume of beef consumption at home has returned to levels existing before 1996.

The difficulty of regaining consumer confidence and recapturing lost markets is evident from the experience of Northern Ireland, which succeeded in having the ban on its exports removed in June. Meat companies there report sluggish activity, with exports reaching only a sixth of their levels before the ban.

Northern Ireland was entitled to an early easing of European restrictions because, as a security measure against cross-border raids and poaching, the province years ago put into effect the computer-based tracking system for its herds now being installed throughout Britain to meet EU demands.

Once the ban is formally lifted, Britain's Meat and Livestock Commission will be sending tens of thousands of promotional leaflets to importers, caterers and other customers in every major European language around the world in a bid to persuade them to restock their shelves with British beef.

A National Farmers Union spokesman said, "After almost three years, we are well aware that people have been finding their supplies of beef from elsewhere. The job ahead is to get them to start buying British beef again."

YELTSIN: President Hospitalized Again

Continued from Page 1

automatically become president and elections would have to be held within three months. While the opposition Communists have long demanded that Mr. Yeltsin step aside, the latest illnesses have brought similar suggestions from the president's allies.

Mr. Yeltsin's illness added tension to a national mood already darkened by the brutal slaying of Miss Starovoitova. Mr. Primakov led a meeting of the security agencies, imploring them to crack down on extremism and corruption. Recalling recent anti-Semitic broadsides in Parliament, as well as racist statements against Caucasians, Mr. Primakov declared: "This is the road toward fascism."

We cannot go down that road. This must be stopped whatever the cost."

Mr. Primakov dismissed calls from the Communist Party leader, Gennadi Zyuganov, to declare a state of emergency. "We will not resort to any measures that might lead to elements of dictatorship in the management of the country," the prime minister said.

But Mr. Yeltsin's absence once again left many doubts about who is running Russia and unleashed fresh speculation that his power is waning.

"This is a series of illnesses that indeed testify to the instability" of Mr. Yeltsin "to fulfill his duties in full," said Alexander Shokhin, a leader of the centrist Our Home Is Russia bloc in Parliament.

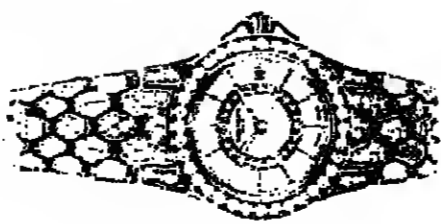


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CROSSWORD

ACROSS
1 Some fathers: Abbr.
4 Writer Palace ruler
8 Big name in hotels
14 Private eye, for short
15 Strife/night, e.g.
16 Microscopic creature
17 Like: Suffix
18 Picnic residents
19 Maritime hazard in W.W. II

20 Richard Benjamin's film debut, 1969
23 Stubborn beasts
24 Hospital cry
25 Enzyme ending
26 ——— Israeli relations
27 Dangerous date for Caesar
28 Ripening agent
29 Vancomycin
31 E.M.T.'s procedure
32 With 34-Across, 1986 action film sequel
34 See 33-Across

37 "Rubber Soul," "Revolver" and others
38 Only so far
40 Apple or pear
41 Disavow
44 "Leave" ——— professor
45 Article in Artes
46 Cuckoo locale for Caesar
47 Temperamentous spirit?
48 Cage/Shue picture of 1985
49 Locate
50 Inits. in long distance
51 Beloved of Aphrodite
52 ——— about (approximately)
57 New Prof.
58 Last cooked
59 Politician
60 "Don't give up!"

10 Weaver's apparatus
11 It may land in hot water
12 Hardly brainy
13 Sadist's professor
14 Disastrous collapse
122 Surg. areas
27 Little devil
28 Large wardrobe
29 Navigator's need
31 Supercomputer name
32 Sad sound for a balloonist
34 Address Joan of "Rebecca"
35 Plaintiff or defendant
36 Aardvark
38 Run to mom about
39 "Anna Karenina" author
40 Astronomical object
41 Iniquitous tribe
42 Grooved on
43 The end
47 Dried
48 Turn aside
50 Morning glory, e.g.
51 Put away

Solution to Puzzle of Nov. 23
PARTS DATA SHOE
ATARI EDAM TAIN
SEADNORTGAGE
SEAD EARS RIND
ESS ANNE HERLIN
RETRAD DIS SEA
ART CUD INT
THEFOURTHSTATE
HEY RES AAA
ORE WED AWKWARD
REPAID ALAI POT
HINT ODAY LESS
BEETMOVENSIKTH
ARGO DELI ISERE
NEIN ERLAIS CIASIS

1 Maris of shame
2 Backup help
3 Academic types
4 Shore dinner
5 Off-the-wall
6 One who shows up
7 Saved
8 Carries
9 Permeate

10 Weaver's apparatus
11 It may land in hot water
12 Hardly brainy
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ASIA/PACIFIC

Jakarta Toll and Suspicion Mount

3 Dead in Attacks on Churches, and Some See Orchestration

By Cindy Shiner
Washington Post Service

JAKARTA — Christians on Monday sorted through the ruins of 13 churches set afire by Muslim mobs in religious- and ethnic-based violence that some authorities suspect may have been orchestrated by a conservative Islamic political elite to gain leverage on a government that is struggling to deal with a proliferation of crises.

The bodies of more victims were discovered Monday, raising the toll in the latest violence to 13.

"Things would be much worse if it turns out that the incident was not spontaneous, moreover, if it was planned," said Roman Catholic Cardinal Julius Riyadudin Gusman. "It would mean that the people had been used for political interests," he added, "and even worse, that religious issues had been used for those political interests."

Less than two weeks ago, 14 people, including several students, were killed in anti-government protests that at one point pitted moderate and conservative Muslims against one another. Most of those Nov. 13 deaths, however, occurred when security forces opened fire on demonstrators outside Atma Jaya University in central Jakarta.

Few people can explain how cre-

ating chaos might further a particular political cause in a country with at least 300 ethnic groups spread across thousands of islands, but the mere perception of a conspiracy is enough to fuel popular anger against the country's leaders and its military. Some believe that the government of President B.J. Habibie is fostering unrest in an effort to thwart political reform.

"Habibie's credibility is not supported by the people," said Petrus, a money-changer who said he had watched as five people were stabbed or hacked to death in front of a gambling hall next to the Ketapang Christian Church, one of the churches set afire Sunday. "It is anarchy. The law no longer works here."

Although most shops on the street where the church is situated were closed on Monday, traffic was back to normal and food vendors returned to their stalls. A semblance of normality also returned to other parts of the city where churches and Christian schools were attacked. But security forces maintained a presence in several areas, including in front of Jakarta's main cathedral, which was guarded by more than a dozen riot police.

Mobs had threatened to attack the cathedral as well on Sunday, but they were stopped by the military.

According to witnesses, the violence began before dawn Sunday after rumors spread that a mosque had been burned by Indonesians from the Ambonese ethnic group, many of whom are Christians. But few Ambonese attend the Ketapang Christian Church. The Reverend Kumala Setiabrata said most of the members of his congregation were ethnic Chinese, as is the case with other Christian places of worship that were attacked.

Ethnic Chinese are often targeted in Indonesia, which is the world's largest Muslim country, during times of political and economic turmoil.

The financial crisis has aggravated resentment against the elite, especially former President Suharto and his children.

They are alleged to have amassed up to \$40 billion during his 32-year rule, which ended in May after widespread unrest that claimed at least 1,200 lives.

The attorney general of Indonesia, Mohammed Ghalib, said Monday that Mr. Suharto faced house arrest if he did not cooperate with a new inquiry by a special commission into his wealth.

"If Suharto interrupts the investigation process, then the commission will propose a need to impose house arrest or a travel ban abroad," the Antara press agency quoted him as saying.



CAMPAGNING IN INDIA — Sonia Gandhi, president of the opposition Congress (I) Party, waving to supporters in New Delhi on Monday, the last day of campaigning before provincial elections Wednesday.

BRIEFLY

Cambodia's Joint Cabinet Is Set

PHNOM PENH — Cambodia's top two political parties sealed a deal Monday that will place Prime Minister-elect Hun Sen and his Cambodian People's Party in firm control of a coalition government.

Enemies just a few months ago, Mr. Hun Sen and his coalition partner, Prince Norodom Ranariddh, joked as they signed agreements of cooperation and toasted the new government with Champagne in the company of senior members of both parties.

Mr. Hun Sen and Prince Ranariddh signed a joint political platform and a division of cabinet posts. The ministries of finance, industry, commerce, planning, agriculture, public works and foreign affairs will all be controlled by the Cambodian People's Party. Politicians from the prince's Funcinpec party will head the ministries of justice, tourism, information, health, rural development and education.

The list showed Mr. Hun Sen's party controlling 12 ministries and Prince Ranariddh's party controlling 11, with the two sides sharing the defense and interior portfolios. (AP)

Burma Junta Foe Alleges Coercion

RANGOON — Daw Aung San Suu Kyi, the opposition leader, hit out at the military junta Monday, saying that recent mass resignations from her National League for Democracy had been coerced but that party members' spirits remained strong.

"The greater the repression, the greater the support for our movement," said Daw Aung San Suu Kyi, looking confident and relaxed. She also accused Burma's military leaders of doing little to ease economic hardship and said the introduction of a new high-denomination banknote could fuel inflation.

Daw Aung San Suu Kyi spoke at a news briefing at her party's Rangoon chapter headquarters a day after the government claimed that hundreds of members of her National League for Democracy recently quit the party of their own free will. (AP)

Malaysia Calls In U.S. Envoy Over 'Incitement' by Gore

Compiled by Our Staff From Dispatches

KUALA LUMPUR — The U.S. ambassador was summoned Monday to the Foreign Ministry so that Malaysia could express its anger over Vice President Al Gore's statement of support for the opposition movement.

"We reiterated Malaysia's position that Gore's speech was an incitement of lawlessness and not simply a call of democracy as claimed," John Tenewi Nuek, ministry undersecretary for the Americas, told the national press agency Bernama.

A U.S. Embassy spokesman, Chip Barclay, described the meeting as "cordial" and "a useful way to exchange views." Ambassador John Malott said that Mr. Gore's speech last week had been neither inflammatory nor disparaging and added that "Malaysians should look beyond attempts to miscast" it.

In the speech, delivered at the Asia-Pacific Economic Cooperation forum, Mr. Gore praised the "brave people of Malaysia" who have demanded democracy with the political reform movement started by former Deputy Prime Minister Anwar Ibrahim. Mr. Anwar was dismissed in September and is on trial on corruption and sodomy charges. Dozens of anti-government demonstrations have rocked Malaysia's capital since his arrest. (AP/Reuters)

How China Plans To Rein In Army

By John Pomfret
Washington Post Service

ZHUHAI, China — A senior Chinese official, calling the idea of soldiers engaging in commercial activities "abnormal," has reiterated China's commitment to getting the Chinese Army out of the karaoke business and back to the business of defending the country.

In a rare interview last week, Liu Jibin, the newly appointed chief of the Commission on Science and Technology for National Defense, a powerful organization that serves as a bridge between China's government and its often unruly armed forces, also spelled out for the first time publicly how China hopes to reform its weapons procurement program. Western military experts say this is one of the keys to China's dream of becoming a regional and world power.

In an hour-long briefing during the second International Zhuhai Air Show, in southern China, Mr. Liu appeared confident that China's attempt to rein in the army's entrepreneurial ventures would succeed. He also pledged that his civilian-run commission would assume control of imports and exports of weaponry, a move that, if it succeeds, would be welcomed by Western nations concerned about China's past practice of selling missiles and nuclear weapons to rogue states, such as Iran.

Mr. Liu's attitude was notable in that the 50-year-old, first-time minister seemed to have little sympathy for the army's use of brothels, dance halls, pharmaceutical companies, golf courses and motorcycle factories as a way of bolstering its budget.

"In the past, the military had a large number of firms doing business," Mr. Liu said. "The military part of the budget was very small, so the military wanted to increase its income somehow. But these businesses belonged to a special historical and very abnormal situation, and we determined that this road wasn't good for the army. The army has to rely on the country; if not, it can develop some very unhealthy manifestations."

June Tsefel Dreyer, an expert on the Chinese military at the University of Miami, called Mr. Liu's comments a

strong indication that President Jiang Zemin and Prime Minister Zhu Rongji "are taking some pretty serious steps" to bring the army under the control of the Communist Party and the state.

Ms. Dreyer observed that Mr. Liu, in calling the military-business nexus abnormal, "went beyond code phrases" in his critique of the army's business practices. "It represents very blunt speaking from someone as high-ranking as Liu," she said.

Western military experts are skeptical that China will be able to accomplish the ambitious military reform program it has set for itself.

The reforms, announced July 22 by Mr. Jiang, involve two simultaneous and complex changes in military management. First, the military is supposed to abandon its profit-making enterprises so it can concentrate on defending China, an enormous undertaking. The army operates thousands of commercial firms, ranging from giant corporations that are managed by the military's top brass to smaller ventures run by brigades and battalions. Some of the army's holdings are even listed on the Hong Kong Stock Exchange.

By year's end, control of the army's major companies, such as Poly Technologies, Carrie Enterprises and Xin Xing Group, is to be transferred to the State Economic and Trade Commission. China's provincial governments will take over smaller companies now run by China's seven military regions, while counties and cities are to absorb the rest.

Mr. Liu said the second step involves overhauling the military's weapons development and procurement program, which has failed over the last 20 years to give China the technological boost it wants, especially in aviation and naval materiel. To that end, China established in March a new branch within the army, the General Equipment Department, which Mr. Liu said would be responsible for ordering weaponry from his supervisory defense commission.

Mr. Liu said the commission would then arrange for weapons production or for imports, implying strongly that his panel will take the lead in determining how the military got what it wanted.

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Murder of a Democrat

The Russian reform movement has produced few leaders with an uncompromising dedication to democracy. Galina Starovoirova was one, and her murder in St. Petersburg on Friday was a terrible loss for Russia. In a bleak season of economic collapse and political timidity, the killing can only heighten fears that Russia is slipping into an ugly era of intolerance and political violence.

Initial evidence suggests that the killing was a political assassination. Ms. Starovoirova was gunned down in the lobby of her apartment building, shot three times in the head, typical of Russian contract killings. She was a member of the Russian Parliament and a recently declared candidate for governor of the region around St. Petersburg. In recent weeks she had spoken out forcefully against political extremists, denounced the anti-Semitic statements of a Communist parliamentarian and was campaigning aggressively against financial corruption in the St. Petersburg municipal government.

Her activities were fully in character with a career built around principles of liberty, tolerance and the rule of law. She championed democracy and hu-

man rights long before they became politically acceptable in Moscow, and courageously stood by Boris Yeltsin and other reformers as Russia struggled to find a new political course when the Soviet Union disintegrated. An ethnographer by training, Ms. Starovoirova proved a skillful and effective politician. She first gained national attention a decade ago when she set aside her academic work about the ethnic history of Leningrad and ran successfully for a seat in the Soviet Parliament from Armenia, a startling victory for a Russian. She later represented St. Petersburg.

Ms. Starovoirova was a woman of irrepressible energy and infectious enthusiasm. But her good humor and quick smile belied a steely commitment in combat the corruption and ethnic divisions that she correctly considered to be the enemies of Russian democracy. The least President Yeltsin can do is to hunt down her killers and bring them to trial. That would be the exception in a nation where political violence is rarely prosecuted. Her countrymen can honor her memory by following her example.

—THE NEW YORK TIMES

West Bank Withdrawal

Nothing is quite so difficult, definitive and irreversible in international relations as handing over territory — especially handing over territory to a former but still deeply distrusted foe. This is the significance of the first pullback that Israel is now conducting on the occupied West Bank under the terms of last month's U.S.-brokered Wye agreement. Not just religious and ultranationalist Israelis but also secular folk who merely want to live a normal life wonder whether the Netanyahu government is making a deal that will backfire. Yet enough of them understand the promise and necessity of exchanging Israeli-held territory for expanded Palestinian security assurances to make this first withdrawal in nearly two years a reality.

The lands due to shift to Palestinian civil administration and/or military control in this withdrawal and in the two others scheduled in the next three months reflect exclusively Israeli security and political choices. These lands are scant, noncontiguous, intended to comfort Israeli settlers on the West Bank and crisscrossed by roads designed for exclusive Israeli civilian

and military use. Palestinians mean these withdrawals to establish the initial geography of a Palestinian state but the Israelis so far insist that they are determined to block such a state.

Nonetheless, there is a deeper parallel understanding of Wye. Said Defense Minister Yitzhak Mordechai, a realist and a leading advocate and negotiator of the withdrawal: "The slicing-up of the land of our fathers is a difficult, painful step. But in our return to our homeland after 2,000 years of exile, the return to the beloved land of Israel, changes had occurred there, and another population dwelled in it."

Yasser Arafat made essentially the same pitch for support of Wye on the Palestinian side. By signing the accord with an Israeli Likud government, he said, "We managed to shatter the slogan of the Israeli extremists regarding 'the Greater Israel.'"

More agonies lie ahead on the negotiating path that the Israelis and Palestinians have chosen. They deserve respect for sticking to it — and the Clinton administration deserves credit for helping them do so.

—THE WASHINGTON POST

Guns vs. Butter

The guns-vs.-butter issue that has been in suspension in Washington in recent years is about to return. It will make even tighter the budget for next year, which was going to be impossible tight anyway. The president and Congress will have four choices: deny the Pentagon funds that the president himself now says it needs; provide the funds and make deeper cuts than either party has shown an inclination to make in domestic programs to offset the cost; somehow ease the current budget constraints; and/or cheat, by indulging in phony accounting.

The defense budget has been greatly reduced since the end of the Cold War, as it deserved to be. In real terms the total is down somewhere between a third and a fifth, depending on how you count. The uniformed chiefs have been gun to warn that further cuts will make it impossible to carry out their instructions to be able to fight two good-sized wars at once, and neither party is prepared to reduce those instructions. The chiefs, in fact, say the budget needs to be modestly restored, and the president in September joined congressional Republicans in saying that he concurred.

Meanwhile, a long-standing change is about to occur in the budget rules which will allow money to be taken from domestic programs for defense, as well as the other way around. There had been a so-called fire wall between the two categories, so that members could cut defense as much as they liked but not use the proceeds to increase domestic spending, which had its own cap, and vice versa. In fiscal year 2000, the budget for which will be before Congress next spring, the fire wall is scheduled to come down.

The problem underlying all this is the mishapen nature of the balance-of-budget agreement that the president and Congress proudly reached last year. To get in balance while protecting

entitlements and granting a tax cut, it made disproportionate and unrealistic cuts in the third of the budget subject to the annual appropriations process. This includes the defense budget and what might be called the operating budgets of the domestic agencies, covering everything from air traffic control to the national parks. The great advantage from the politicians' standpoint was that they did not have to specify up front which programs would be cut; they just capped the amounts of money that would be available to the appropriators in the future.

The declining defense budget made the caps more plausible than they otherwise would have been, in that it reduced what would otherwise have been the need for cuts in domestic operations. That is the cushion that now disappears. Even with the cushion, the domestic total was scheduled to go down a percentage point or two in real terms. Now it will have to go down more, or an alternative will have to be found. The president tried to deal with the problem in this year's budget, which itself was tight, by easing the caps without acknowledging what he was doing. He sought to make more room beneath them by crediting the appropriators with savings elsewhere in the budget.

It didn't work. Congress either balked at the devices, including the tobacco tax increase that the president proposed, or used them for other purposes. The administration may rely on such an approach again. It is legitimate, but it obscures a problem that ought to be more directly faced. Plenty of internal savings can yet be made within the defense budget; even so, in our judgment, that budget needs to be increased. That means that the appropriations caps must likewise be eased, and more of the fiscal burden expediently assigned elsewhere in the budget.

—THE WASHINGTON POST

A Second Federal, Democratic Superpower Soon

By Michael Elliott

NEW YORK — When a settled version of the century's history comes to be written, expect a distinguished place to be reserved for a few days in early May 1950.

Europe, barely recovering from war, was fractured, tense and poor. The Communist push of 1948 in France had confirmed what had first been visible in the summer of 1945 — that Europe was divided into two hostile camps. France had been unable to find the political, or perhaps psychological, resources to welcome West Germany as a partner in peace and democracy. The Labour government in Britain, led by great men who in five years had transformed the social order of their nation, was exhausted.

Across the Atlantic, the American administration was daily more disturbed at the state of the world. With good reason; the very next month, Communist troops on the Korean Peninsula would sweep south and take Seoul. Not yet five years after Hiroshima, the world faced the prospect of renewed war, a war that could escalate into a nuclear Armageddon.

Dean Acheson, the American secretary of state, had enough on his plate without having to worry about Western Europe. Frustrated at the apparent inability of the Europeans to take bold initiatives, he planned to meet that May

with his French and British partners in London, calling at Paris on the way. When he arrived in Paris he discovered that the ground had shifted.

Prompted by Jean Monnet, an old friend of Acheson's from before the war (and from those wartime years when Monnet had worked for the British government in Washington), French Foreign Minister Robert Schuman had devised a plan. He proposed that the coal and steel industries of West Germany and France — the source of war's infrastructure — be placed under a supranational high authority.

Schuman and Acheson then went to London, where Foreign Secretary Ernest Bevin was enraged that such a scheme would, or could, be cooked up without his nation's participation. But Acheson never wavered; the Schuman plan, for him, was and would remain a key building block in the creation of a peaceful, democratic world. "The more we studied the plan," he later wrote, "the more we were impressed."

This coming January, 11 nations of Western Europe take another step along the journey that started in 1950. They will form a monetary union. As Euroland is born, the lessons of history serve a useful purpose.

European integration has never been a matter of sole concern to Europeans. The reason is obvious: From the middle of the 18th century, local rivalries in Western Europe have had a nasty habit of turning into world wars, of which the two in this century were just the most awful. Everyone has an interest in seeing that the richest chunk of real estate on the planet does not once again become stained with blood. The only worthwhile test of European integration is whether it lessens the likelihood of war.

Since 1950 it has done so, as the Schuman plan has metamorphosed into a customs union, and then into a single market which has now, in effect, become a single economic entity. With each step along the way, the peoples of Western Europe have been bound closer together.

That does not mean that political violence has been abolished in Europe; witness Northern Ireland. But such violence has been localized. Full-scale war between Western European states is now all but unthinkable.

It is now time for the European Union to lift its sights. "The crucial question," writes Lawrence Summers, U.S. deputy Treasury secretary, will be whether economic and monetary union "makes Europe look inward or outward." Americans "hope and trust that Europe will play an active and con-

structive role on the world stage."

In the immediate future, much will depend on how the EU handles its relationship with the countries to its east clamoring for membership. All that has been gained from the time of the Schuman plan will be lost if greater integration in the west of the continent comes at the price of relegating the east to a resentful second tier. Then there is the knotty matter of Turkey.

In the longer term, Euroland can — and probably will — look beyond its immediate borders. Sure, it is not a military superpower like the United States, and may not be one for some time. But that reality is less significant than is often thought. The deployment of Euroland's mammoth economic resources can have a strategic impact.

Christoph Bertram, director of Germany's Foundation of Science and Politics, argues that the United States is wonderful in a crisis but lousy before one. It is now the Europeans with their generous aid and investment programs, who ameliorate difficult conditions before they blow up into those crises that need the application of American military might. There is here the germ of a collaboration between two federal, democratic superpowers that could make the next century more peaceful and happy than this one.

Newsweek

The New Europe Will Have to Do Without Britain for a Decade

By Roy Denman

BRUSSELS — Something happened in a small town in Austria last month which lit the way forward for Europe. The occasion had drama, a collision between British dreams and European realities: comedy, spin doctors tripping over each other as they tried to limit the damage; and prophecy, a glimpse of Britain's exclusion from Euroland not just until 2002 but for the next decade.

In Förschach on Oct. 24, the leaders of the European Union met for an informal summit. As October approached, it had become clear that nothing much was going to be decided. Discussions on a common foreign and security policy had made no significant progress. The prospect caused the British no pain; lack of movement on Europe never does.

Old King Kohl, always copying up to the French, had been dethroned; the new man came from Hanover, not the Rhineland, and he spoke English, so Britain would no longer be out in the cold. Tony

Blair was bringing with him some new proposals on defense. What with these and his knack of charming colleagues with his winning smile ("We have fundamentally changed our relations with Europe"), all would be well.

It did not work out like that. Mr. Blair's thoughts on defense occasioned interest, but they were widely perceived as diversionary. What dominated the discussion from the first evening was the fact that with the German elections over, Europe was again on the move. All were very conscious that in only a few weeks' time the 11-member Euroland would be in business. The finance ministers would be grappling with the problems of running it.

The Austrians spoke of the need for tax harmonization. Collaboration between Bonn and Paris appeared closer than ever. It emerged that whoever would be the new EU high representative, on foreign

policy, it would not be the British candidate. Political union was on the way.

More and more as the meeting progressed it became clear that the 11 of Euroland were going to be calling the shots. For the first time, the British ministerial team perceived, with a jolt, that they were out of the European game.

Like virtually the whole of the British political class for the last 50 years, they seemed unable to grasp that the European adventure is not about trade in cotton underwear but the creation of a federation. Robert Schuman said so in 1950. Walter Hallstein repeated it eight years later. Gerhard Schröder has pledged "to drive forward the further development of a political union."

This returning emphasis on political union, and the new wind in Europe's sails, will change fundamentally the timing of when Britain will join the euro. Even on its own, the

euro proposition will be very difficult to sell to voters. Its pros and cons have never been explained. The average Brit, insular and cautious by nature, has been brainwashed for years by a largely North American-owned press into thinking that the EU is a fiefdom, a continental tyranny.

Picture the scene in 2002. Mr. Blair has just won a second election. A referendum on the euro is in train. A federation in Euroland looms. In a village hall, a Labour politician is explaining, to the occasional call, the need for the local pub to bill its customers in euros. Then he may add: "And by the way we shall also need to join the European Federation. Westminster will become a branch office of Brussels." He would be well advised to be wearing running shoes and an armor-plated waistcoat.

British politicians have never understood about federations because they have never lived in one. Had they done so, they would have been aware of

an absence of angry crowds pouring through Munich and Zurich denouncing the tyrannical Bonn and Bern. These countries have shown that federation can be a highly successful means of ensuring prosperity at home and influence abroad, while fully respecting local traditions.

If British politicians do not understand this, how can they convince a skeptical electorate? For the British political class to understand and explain the full implications of joining Euroland — the biggest change in the governance of England since Cromwell — will take at least 10 years.

Disraeli said that the British were slow to move. Only years of political and economic irrelevance will persuade them. For this they have to thank their politicians and their press.

The writer, a former representative of the European Commission in Washington, contributed this to the International Herald Tribune.

Italy Has a Chance to Help Both Turkey and the Kurds

By John Tirman

WASHINGTON — Extra-dition need not be a black-and-white choice. The decision that the Italian government must make about the extradition demand of Turkey for Abdullah Ocalan should be seen as a political opportunity to satisfy legitimate needs for justice on both sides of the Turkish-Kurdish conflict.

A creative solution — "extra-dition diplomacy" — could open major avenues toward resolving the conflict.

Italy can foster fruitful conditions in the extradition process. Already, the government of Turkey has vowed to do away with the death penalty. Mr. Ocalan has declared a cease-fire and pledged "halt terrorism." These gestures indicate a willingness to bargain. The Italian

government should use the extradition mechanism to promote a net gain for human rights and peace in Turkey.

The process must begin with the assumption that Mr. Ocalan has in fact committed criminal acts of violence that place him in legal jeopardy. To consider him exclusively as a political actor is surely erroneous — it is very likely that he has ordered the execution of innocent civilians during the 14-year civil war — and would forfeit the value of having him in custody as, in effect, a bargaining chip.

But Italy must be careful not to bargain him away without receiving much in return. Mr. Ocalan's Kurdish Workers Party (PKK) is an obsessive

concern of the authoritarian military and the civilian government it dominates. His arrest and trial, with the possibility of further actions on his part that in effect demoralize the PKK, remove the military's commanding rationale for its anti-terrorism laws, its state of emergency in the southeast, its repression of open debate about the civil war, and its denial of Kurdish social rights including free use of the Kurdish language.

Because of that repression, non-PKK Kurdish politicians have suffered greatly. The constitutional parties have been hounded by the state. Turkish political dissenters and the nongovernmental sector, particularly human rights organi-

zations, have also been unfairly persecuted by the state. As a result, few interlocutors for a political settlement of the war can thrive.

It is this objective — the restoration of a nonviolent Kurdish "center" and a sympathetic Turkish civil society — that Italy should consider as paramount and achievable. That is the route toward protection of human rights throughout Turkey and the chance for a political settlement of the civil war.

Mr. Ocalan's extradition could be conditioned on the following actions, possibly among others, by the government of Turkey:

- Unconditional release of jailed Kurdish parliamentarians, local officials and others prosecuted under anti-terrorism laws or similar provisions.
- Rescinding of the anti-terrorism laws.
- Declaration of an amnesty for PKK soldiers.
- Honoring of human rights conventions already signed — which would obligate the government to compensate displaced villagers, among other measures.
- Allowing Kurdish political parties which honor the territorial integrity of Turkey to compete openly for political power.
- Rescinding laws and practices that prohibit the free use of language.

Tangible progress on each of these measures could be exacted before Mr. Ocalan was returned to Turkey. His promises of a new peace initiative should also be tested, including demobilization of the PKK.

Europe and the United States should commit to support this kind of bargain with resources for economic development, reconciliation processes and the like. Backsliding can easily occur, so it is imperative to structure further incentives and disincentives that may be beyond the scope of the extradition diplomacy itself.

Italy should keep in mind how fundamentally important the capture and prosecution of Abdullah Ocalan are to the Turkish state. A far denial of extradition would embitter Turkish elites and quite possibly worsen the human rights situation in Turkey. A creative solution to the extradition crisis could achieve a significant reversal of fortunes for the Kurdish people and a rapid improvement in the protection of human rights for all citizens of Turkey.

The writer is executive director of the Winston Foundation, which provides grants to nongovernmental organizations working on arms control and conflict prevention. He contributed this comment to the International Herald Tribune.

No to a Taliban-Style Pakistan

By Amin Saikal

CANBERRA — Pakistan's Prime Minister Nawaz Sharif recently went much further than ever before in singing the praises of the ultraradical Islamic Taliban militia in Afghanistan. He commended its system of justice and its ability to bring "complete peace" and security to the war-torn country. He even suggested that the Taliban's brand of "justice" was appropriate for Pakistan.

Mr. Sharif's ringing endorsement reconfirms Pakistan's continued commitment to the Taliban's continuing rule in Afghanistan. It flies in the face of the international community's increasing condemnation of the militia for its brutal theocratic regime.

Since Pakistan was created as an Islamic republic in 1947, Islam has often been used for political purposes. Whenever Pakistani political leaders have needed a diversion from the country's deep-seated political, social and economic problems or foreign policy difficulties, they have found it convenient to invoke Islam to gather popular legitimacy. All of Pakistan's leaders have been guilty of such behavior. But never before has such a prominent Pakistani endorsed an Islamic system of justice and order such as the one that prevails in the areas under the control of the Taliban.

The vision of Pakistan's founding father, Mohammed Ali Jinnah, was of a Pakistan that had an Islamic identity but a liberal, democratic polity. He

wanted the best of what Islam and secular democracy could offer, without lending credibility in any form of theocracy.

What Mr. Sharif seems to want is not just to make Islamic Sharia law the supreme law of Pakistan, but a brand of that religious law similar to that imposed in Afghanistan. Many of the militia's practices are historically alien to the Afghans. They are condemned by the United Nations and the West. They are also condemned by a majority of Muslim countries.

Critics have rejected Taliban discrimination against women and girls, which denies them the right to education. Critics have also spoken out against the widespread and indiscriminate killing of Shiite opponents.

The Taliban may have brought a measure of security, and delivered prompt, if summary, justice in the areas under their control. But the movement has done so at a cost that no civilized society would find acceptable. The Taliban's rule is not embraced by the people. It is imposed by brute force.

This is surely not what Mr. Sharif would want to imitate, since it would involve his government in betrayal of the whole ideal for which Pakistan came into existence. That has done so is a measure of his political desperation.

He needs to enhance the Taliban's credibility if it is to gain

international recognition as the legitimate ruler of Afghanistan. At present, the Taliban is recognized only by Pakistan, Saudi Arabia and the United Arab Emirates. Saudi Arabia recently froze its relations with the militia because it is protecting the Saudi dissident Osama bin Laden, whom the United States accuses of masterminding the August bombing of U.S. embassies in Kenya and Tanzania.

At home, Mr. Sharif needs popular support for a Sharia law bill. It has been passed by the National Assembly but is expected to be blocked in the Senate, where he lacks a majority. He must also defend his government against Pakistan's Islamic extremists, who are closely linked to the Taliban.

Mr. Sharif wants more power for himself and his ethnic Punjabi supporters against the Sindhis, the Pathans and the Baluchis. He would thus establish a Punjabi-dominated regime similar to the Taliban's Pashtun-run theocracy.

His support for the Taliban is intended to disguise his own policy failures, which have brought Pakistan to the brink of bankruptcy, deepened its potentially fatal problems of governance and increased its international isolation.

The writer, director of the Center for Middle Eastern and Central Asian Studies at the Australian National University, contributed this comment to the International Herald Tribune.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1898: France and Italy

ROME — The Treaty of commerce between France and Italy is regarded by all as a very important event. The first overtures, for the conclusion of a treaty came from the French Government. It is believed in diplomatic circles that the settlement was hastened by the Fashoda affair, and the desire of France for a rapprochement with the Triple Alliance, in view of a possible war with England. All the journals observe that the commercial treaty will inaugurate a period of friendship between France and Italy.

1923: Fancy Wedding

NEW YORK — The most sumptuous negro wedding ever held here will take place when May MacWalter Robinson will become the wife of Dr. Henry Gordon Jackson. The bride is the granddaughter of Aleia

Walker Robinson, who made a million or more by her process of removing the kinks out of negro ladies' and gents' hair. She had a palatial establishment in Fifth Avenue.

1948: Television Next

CHICAGO — James Shores, president of the Crosley Broadcasting Corporation, said that television stands a good chance of replacing radio broadcasting. He said television's "repercussions within three or four years will have a more profound effect upon the social, economic and educational life of the United States than the automobile within the first twenty years." He said that within five years "it is entirely possible television will have become an integral part of the lives of 20,000,000 of 30,000,000 families," influencing their daily habits and thinking. "The impact will be revolutionary," he declared.

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OPINION/LETTERS

Clinton's Highest Crime:
Stealing the '96 Election

By William Safire

WASHINGTON — At the House Judiciary Committee, Ken Starr succeeded in documenting the president's premeditated series of perjuries. Even *The New York Times*, in favoring censure over impeachment, referred to Bill Clinton's "habitual mendacity" (a phrase nicer than, but little different from, my old "congenital liar").

Mr. Starr failed to tie the persistent presidential prevarication in the Lewinsky affair to five years of stonewalling in White-water, Travelgate and Filegate. Relatedly, he announced his inability to find presidential involvement in what some of us still consider White House abuses, permitting Representative Barney Frank rightly to demand to know why that was not made public before the recent elections.

Mr. Starr should promptly submit, and the court release, the suppressed reports on those investigations. Let's see who is "exonerated," lest the next Republican president's staff follow Clinton precedent to flip through the FBI files of 900 troublesome Democrats, and to use the Justice Department to clear the decks for patronage.

What should Henry Hyde's Judiciary Committee do now? First, forget about any help from Mr. Starr. His White-water indictment of Web Hubbell is two years too late.

Sam Dash's last-minute stab

in the back declared Mr. Starr an outlaw for daring to defend the report Mr. Dash approved, but Watergate Sam was right about this: In impeachment inquiries, Congress cannot rely exclusively on outside investigators.

Next, accept that impeachment cannot succeed solely for lying under oath about sex. We had an election about that and Mr. Clinton won. Even if Kathleen Willey could produce DNA evidence of harassment, Mr. Clinton has established his *deus ex seigneur* and most voters think lying about it to a grand jury is no high crime.

Instead, focus on what is surely a high crime: stealing an election. For two years, the Clinton Justice Department has ducked prosecution of Mr. Clinton's "Asian connection." That multimillion-dollar illegal overseas fund-raising scheme financed Mr. Clinton's comeback advertising blitz and was accompanied by a flip-flop in his China trade policy.

Mr. Starr gave immunity to John Huang, the middleman, but wants to know only about hush-up Mr. Hubbell.

In coming weeks, the dithering attorney general, Janet Reno, will decide whether to ask for an independent counsel to investigate fund-raising by Vice President Al Gore, by Harold Ickes and — for decision by Dec. 7 — by Mr. Clinton himself.



Will that date again live in infamy? Probably. Ms. Reno has already refused to show Congress unedited internal memos of protest by the FBI director, Louis Freeh, and the prosecutor Charles La Bella. Both professional investigators are convinced Justice bureaucrats are hopelessly conflicted in going after their chief executive.

The Judiciary Committee should demand that the president order his attorney general to produce those and related documents forthwith and in full, including Mr. La Bella's addenda. If he or Ms. Reno refuses, such contempt of Congress should be an impeachment count.

But the impeachment inquiry must not abdicate its own re-

sponsibility even in the unlikely event an independent counsel is appointed to dig into the Asian connection. Getting the truth is more important than punishing secondary culprits. Mr. Hyde & Co. should follow the Dash constitutional doctrine: investigate by itself.

Call Mr. Huang, Charlie Trie, Bruce Lindsey, Johnny Chung and Mark Middleton. To save months, draft Mr. La Bella as special counsel. Ping into the top-secret report being prepared by the House's Select Committee on Chinagate, headed by the right-lipped Chris Cox. If Chinese intelligence is identified as a source of funds, then Judiciary must know it before making impeachment judgments.

History will hold all members. Democrats included, to account. Where is it written that this inquiry must be finished by this lame-duck Congress?

The nation has no need more vital than to protect its electoral process — a job that conflicted Reno Justice has botched and that cannot wait for the years it would take a new independent counsel.

A serious impeachment inquiry would reach beyond perjury to inquire into the high crime that has been staring us all in the face. That is the White House solicitation of illegal funds from foreign sources, and the use of that dirty money to steal the 1996 presidential election.

The New York Times

Hollywood Can't Get
Royal Siam Right

By Philip Bowring

BANGKOK — Hollywood and history seldom make comfortable bedfellows. So it is not surprising that Thailand has thrown up roadblocks to a 20th Century Fox effort to shoot here "Anna and the King," a remake of "The King and I" — the 1956 movie starring Yul Brynner that was a screen version of the 1951 Rogers and Hammerstein musical.

The Thais always objected to the musical's portrayal of their revered mid-19th century King Mongkut, and attempts by Fox to rewrite the script to improve the presentation of the king have failed to satisfy them.

Some here feel that the new movie would right some of the wrongs of the old one. The trouble

is that the starting point of the Hollywood romance is so far from historical reality that the story might be better told about a fictional country and not Siam at the cusp of the modern era.

The musical was based on "Anna and the King of Siam," a fanciful but immensely popular work by Margaret Landon published in 1944. It is usually categorized under fiction. Mrs. Landon's book was based on two books by the original heroine of the tale, Anna Leonowens, a young British widow employed by King Mongkut to teach English to his many children. She subsequently wrote "The English Governess at the Siamese Court" and "The Romance of the Harem."

The King Mongkut of "The King and I" is not evil. In some ways he appears as a sympathetic person. But the overall impression is of an exotic, ruthless, only semi-civilized figure. Splendor, concubines and cruelty are there in abundance. The no-nonsense, very British Anna is made to appear as wise, brave and beautiful, and also as a key figure at court — which was very far from reality.

It is worth comparing the Landon/Hollywood version of King Mongkut with that conveyed by one of my own forebears, Sir John Bowring. He would have had a better claim than almost any Westerner to have written a book entitled "The King and I."

Sir John was an all-purpose Victorian figure: utilitarian philosopher, radical parliamentarian, passionate advocate of free trade and prolific author who became a controversial governor of Hong Kong and started a war with China. Sir John met King Mongkut in 1855 when he visited Bangkok to negotiate a treaty between Britain and Siam.

Far from being a semi-civilized oriental despot, King Mongkut was a learned, liberal and enlightened man. He did not ascend the throne as Rama IV of the Chakri dynasty until he was 47 and had spent many years studying English, Western science and world affairs.

Sir John, himself a believer in both progress and education, was struck by King Mongkut's learning and wisdom, and by his desire to overcome vested conservative pressures to modernize his country and keep it free of Western colonialism. He described King Mongkut as "one of the noblest and most enlightened patriots the oriental world has ever seen." In an 1855 letter urging the Royal Asiatic Society in London to make the king an honorary member, Sir John praised "Mongkut's erudition and the encouragement he gives by example to literary and scientific inquiry."

Despite Sir John's own links to British imperialism, the trust between the two men was such that in 1867 the king appointed him ambassador plenipotentiary in Europe to negotiate on Siam's behalf with all European countries.

Sir John was a sharp critic of the Christian missionaries in Siam. They were given free rein by King Mongkut but despite tireless efforts made almost no converts. Sir John blamed this on their dogmatism and unwillingness to compromise with Siamese ways. They inveighed against local customs and portrayed Siam as the backward if exotic place with which Hollywood was later to identify.

But it was the missionary-Leonowens-Landon-Hammerstein-Hollywood version of the king that was to endure, not Sir John's view of a fellow liberal spirit. For him, Mongkut combined learning with an inquiring mind, practical goals for his country and devotion to his descendants — not least his successor, King Chulalongkorn (ruled from 1853 to 1910), greatest of all the Chakri monarchs.

International Herald Tribune

LETTERS TO THE EDITOR

Two Views of Ocalan

Regarding the editorial, "A Kurdish Opening?" (Nov. 20).

This Washington Post editorial on the extradition of Abdullah Ocalan is outrageous in its promotion of a terrorist and its call to forgo justice for the thousands of innocent Turks and Kurds this butcher has ordered killed.

The Kurdish Workers Party, under direct orders from Mr. Ocalan, has waged a terrorist campaign against the people of Turkey for almost two decades, costing the lives of more than 30,000 people. To suggest that Mr. Ocalan, a man who has modeled his political vision after Mao Zedong's,

and whose murderous campaign to establish his utopia rivals that of Joseph Stalin, suddenly will turn into a defender of democracy borders on callous ignorance.

The Post has argued that the struggle of the Kurdish Workers Party was merely for increased cultural and civic rights. But suddenly the Post seems to understand that the goal of the terrorists was separatism all along. Hence, the Post is stating that Mr. Ocalan now should revoke his call for a separate state, denounce terrorism and show "a commitment to autonomy negotiations" for the Italian government to grant him political asylum.

The U.S. government has declared the Kurdish Workers Party a terrorist orga-

nization that is involved in criminal activities. That a leading newspaper of a country that has suffered its share at the hands of domestic and international terrorism shows so little compassion and understanding for Turkey's struggle is outrageous.

GULER KOKNAR
Washington

The writer is executive director of the Assembly of Turkish American Associations.

The Kurdish leader, Abdullah Ocalan, who has asked for political asylum in Italy, has declared a unilateral cease-fire. I believe that the United States and the Euro-

pean Union should take this opportunity to put pressure on Turkey to stop its genocidal war against the Kurds and to solve this problem peacefully by granting the Kurds their legitimate rights.

JALAL JAFF
London

Correction

In "Don't Blame the Press for a Job It Had to Do" (Meanwhile, Nov. 19), the quote "If there were justice, Coble Roberts would resign, too" was misattributed. It comes from "Bad News for the Media Elite," by Michael Wolff, in *New York* magazine.

BOOKS

FAMILY OUTING

By Chastity Bono with Billie Fitzpatrick
259 pages. \$24. Little, Brown.

Reviewed by Jeannine DeLombard

FOR many, Chastity Bono remains frozen in time as the round-faced toddler who joined her parents on-stage in their popular TV variety program, "The Sonny and Cher Show." Like most children of celebrities, Bono has lived her life in the shadow of her famous parents. She is known primarily as the daughter of the svelte, raven-tressed entertainer, Cher, and the late Republican Congressman Sonny Bono.

But in December 1990, Chastity Bono found herself thrust into the limelight when she was outed as a lesbian by a tabloid newspaper, the *Star*. As she explains in "Family Outing," her "tabloid nightmare" led her first to retreat into the closet and then, finally, to come to terms with both her lesbian identity and her celebrity status by becoming a gay rights activist. The book, a cross between a memoir and a coming-out manual for homosexuals and their parents, integrates Bono's own coming-out story with those of several of her gay peers.

Bono's memoir simulates her growing awareness of her sexual orientation in the context of her increasingly tense relationship with her mother, whose delight in her "filly and dainty little girl" was quickly replaced by anxiety about

her daughter's penchant for masculine dress. Ironically, it was her more liberal mother who responded to Chastity's homosexuality by throwing her out of the house. Just as mother and daughter were healing their rift through therapy and Chastity was establishing an independent identity through her rock band, Ceremony, the tabloids struck. Not satisfied with outing her, the tabloids harassed 20-year-old Bono and her lover for a year. Bono recalls: "We immediately pulled out of the gay community and retreated into the closet. . . . Anytime we left the apartment, we were afraid someone would break in while we were gone. We got rid of all incriminating pictures of us — any pictures that showed us being the least affectionate."

All this personal turmoil took place, Bono reminds us, in the early 1990s, as the gay press debated the ethics of outing celebrities. It was only after a four-year struggle with depression, triggered by the outing incident, reinforced by her record company's decision to drop Ceremony and culminating in her new lover's death from breast cancer, that Bono embarked on a career of activism, writing for the gay news magazine the *Advocate*, serving as entertainment media director of the Gay and Lesbian Alliance Against Defamation and, finally, acting as spokeswoman for the Human Rights Campaign.

Although one might be tempted to dismiss Bono and her story with the same intellectual scorn so frequently dispensed to her parents, especially her

aggressively entrepreneurial father, her personal experiences potentially offer valuable insight into the vexed intersection of gender, sexuality, politics and the media. One wonders, for example, how Bono, who as a teenager came to terms with her sexual orientation upon seeing the lesbian movie "Personal Best," and who as an adult served as a consultant for the TV show "Ellen," feels about her mother's early portrayal of a lesbian in the movie "Silkwood."

Unfortunately, the format of "Family Outing," which intersperses segments of Bono's story with more representative accounts of homosexuals from a variety of backgrounds, prohibits anything but the most cursory summary of the main events in Bono's life.

Rather than use her unique vantage point to provide a fresh approach to the hackneyed genre of the coming-out story, Bono has instead produced a dull self-help book full of puffy advice ("Be who you are") and 12-step jargon ("From Acceptance to Empowerment: This Is Your Journey"). Although the recent brutal murder of a young gay man in Wyoming reminds us that the war against homophobia is far from over, surely the public-relations battle, if it is to be won, must be waged with insight and originality, not cliché and mediocrity.

Jeannine DeLombard, a culture critic whose work has appeared in several anthologies, wrote this for *The Washington Post*.

CHESS

By Robert Byrne

DOUBLE errors, where both players follow the same line of reasoning, except that one thinks he's winning and the other thinks he's losing, are usually the occasion of moment among the spectators. But after all, in a well-played game, the players must divine each other's intentions. But then everything goes awry. One player calculates that he is heading right for one of his worst nightmares and tries something that fails utterly. He had a way out but the last step eluded him.

In the game between the grandmasters Alexander Shabalov of Pittsburgh and Andrei Istratescu of Romania in the World Chess Olympiad in Elista, Kalmykia, it is probable that the American was in the grip of the same hallucination, but he was not put to the test.

The procedure with 6 Rg1? against the Najdorf Variation of the Sicilian Defense is so rare that it is almost nonexistent. After 6...Nc6 7. e4, Black has willingly been maneuvered into facing a Keres Attack. The point of 11 Nc6 Qc6 12 Qd4 was that after 12...Bb7, Shabalov could attack the black queen-side with 13 e4, virtually forcing 13...b4 14 Ra4. Now Istratescu could not dream of casting queen-side, while he also had trouble mobilizing his king-side.

Istratescu fought back with 14...e5 15 Qd1 of 16 Rg4 Nc5 (forced, after which the black knight cannot reach the preferable post at e5) 17 Bg4 Qb6. The threat was 18...Nd3! 19 Qd3 Qg1, and when Shabalov stopped that by 18 Be3, the Romanian picked up a pawn by 18...Qd2.

After 19 Nd5!, the threats were 20 Ne7 and 20 Rb4 Qa3 21 Bc5.

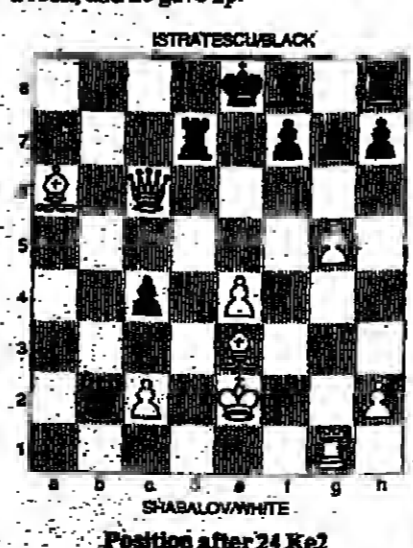
Shabalov sharply sacrificed rook for knight with 21 Rc5! dc to attack the black king with 22 Qc6 Rd7 (22...Ke7? 23 Rc5) 23 Bc6.

With 24 Bb4?, Istratescu put his bishop on the wrong square. He should have played 24...Qc2 25 Kf3 Be7!, but he did not see how important it would be to obstruct the e file. He would then have had a viable defense after 26 Bb5 Qd3 27 Ba4 B5! Thms, 28 Qc8 Bb8 29 Qd7 Qd7 30

Bd7 Kd7 31 of Kc6 holds up. If 28 Rd1, then 28...fe 29 Qe4 O-O! wins outright for him. And if 28 g7, then 28...O-O! 29 Rg7 Kf8 leaves White totally crushed.

What threw both these stalwarts off? My hunch is that they concentrated on 28 Rd1 fe 29 Kc4 Qe3? 30 Qd7 Kf7 31 Rf1 Kc5 32 Qc6, not noticing that 29...Qc2! will draw by perpetual check or possibly even win.

In Istratescu's version of the defense, he realized that after 28 Rd1, 28...fe 29 Qe4 Qc4 30 Kc4 will end up costing him a rook, and he gave up.



Position after 24 Ke2

White	Black	White	Black
Shab'lov	Istr'scu	Shab'lov	Istr'scu
1 e4	c5	15 Qd1	Nc5
2 Nf3	dk	16 Rg4	Qb6
3 d4	cl	17 Bg4	Qb2
4 Nd4	Nc6	18 Be3	Bd8
5 Nc3	Nc6	19 Nd5	Rc8
6 Rg1	fe	20 Qc6	dc
7 e4	Qc6	21 Rc5	Qd7
8 Bc3	Qc7	22 Bc6	Qd7
9 f4	b5	23 Bc6	Qd7
10 Ne5	Qc5	24 Bb4?	Qc2
11 Nc6	Bb7	25 Kf3	Qc2
12 Qd4	ba	26 Bb5	Qd3
13 e4	ba	27 Ba4	B5
14 Ra4	es	28 Rd1	Resigns

STEP OUT OF YOUR WORLD



'Velvet Goldmine'

Jonathan Rhys Meyers as Brian Slade in "Velvet Goldmine," wearing a silver stretch vinyl hologram-patterned bodysuit, by Sandy Powell, below.



'Elizabeth'

Cate Blanchett as Elizabeth in soft velvet dress and flowing hair in the film "Elizabeth," which was costumed by Alexandra Byrne, below.



Costume Drama: Mining the Past for a Moving Image

By Suzy Menkes
International Herald Tribune

LONDON — He is the king of glam rock, prancing in a stretch silver bodysuit under a hail of feathers. She is the queen of England, her rusty hair, lusty chest and puffed skirt bouncing across green meadows.

Four centuries divide the two characters, yet one thing unites them. Both are dressed in their hit movies by British costume designers who excel at period pieces.

The best known of these drama queens is Sandy Powell, whose current movie is "Velvet Goldmine," directed by Todd Haynes, a take on the David Bowie period of the 1970s — all feather boas, floppy hats, faux leopard, bell-bottom pants and other tacky looks from the decade that taste forgot.

It is a far cry from the luscious scenarios of Powell's previous movies, from the painterly images in "Caravaggio" to the decadent Venetian richness of "The Wings of the Dove," for which she received an Oscar nomination.

"But I treated 'Velvet Goldmine' in exactly the same way as 'The Wings of the Dove,'" says Powell. "It was as hard, if not harder, because it was something in living memory."

That was not the problem for Alexandra Byrne as she costumed "Elizabeth," the rollicking, romantic, quirky ver-

sion of Shakespeare's Gloriana by the Indian director Shekhar Kapur, who makes the queen a feisty, feminist figure.

Byrne, who was brought up in Stratford-upon-Avon, Shakespeare's birthplace, and trained in the theater, followed a television success with Jane Austen's "Persuasion" by being Oscar-nominated for her costumes for Kenneth Branagh's "Hamlet." Her current take on Tudor England gives the flame-haired actress Cate Blanchett an aerated version of the hefty corset-and-ruff brocade gowns that usually clothe Elizabeth I.

"I didn't want heavy, draggy clothes — I wanted them like air-filled sculptures that move," says Byrne of the waif-like fabrics in Renaissance colors and of the open-work embroidered white shirt that turns Joseph Fiennes, as Robert Dudley, Earl of Leicester, into an Elizabethan stud.

Current designs for period movies can best be described as "virtual" costumes. They are meticulously researched (both designers create scrapbooks of pictorial references), but the idea is not to produce an authentic re-creation in all its mummified museum splendor. Instead there is an artist's impression with which a modern audience can identify.

That idea satisfies both directors and actors. Byrne says that Kapur specifically said that he did not want the "V&A" version of "Elizabeth," referring to London's Victoria & Albert Museum.

Powell says she has enough trouble persuading actors to wear period costumes correctly, and will see the high-rise pants of the past slouching on the hips and drooping at the crotch.

"On the whole, directors don't want to alienate the audience — they want the modern audience to relate and to

think that the characters are wearing clothes, not costumes," she explains.

Powell gravitates toward directors who are "very visual." Her impressive 20-plus movies in 12 years have been mainly with two directors: the late Derek Jarman, who saw her theater work and gave her a break with the 1986 "Caravaggio," and used her for "Wittgenstein" in 1993; and Neil Jordan. Among her costume credits with Jordan are "The Crying Game" (1992), "Interview With a Vampire" (1994) and her current project, "The End of the Affair," for which she is exploring 1940s London.

Researching a movie goes back to Powell's training at Saint Martin's fashion school in London and in a theater course. For "Velvet Goldmine" she recalled herself as a schoolgirl cutting fashion pictures out of her mother's Nova magazine and pinning up images of David Bowie and Marc Bolan.

"I was 11 in 1971 and I had some quite strong memories," says Powell, who was even able to trace those images by finding the original 1970s clothes. She started by scouring flea markets and "putting things together," but inevitably, most of the finds proved too skimpy, with their tiny armholes and tight sleeves of an undernourished postwar generation.

For British costume designers their "velvet goldmine" is the Portobello market in west London for antique clothes and accessories and especially for fabrics — perhaps just the embroidered center of a Victorian table cloth. They are also searching for inspiration, for Powell and Byrne make costumes for the principals. Powell says that she might "still do a bit of sewing myself," sitting up half the night with pieces all over the floor.

Byrne has also dressed "Elizabeth" from market stalls —

but across the world in Delhi, where she found the russet embroidered fabric for the queen's dressing robe. Her Indian director also took her to ethnic areas of south London, enabling her to "harvest" fabrics that could express Elizabeth's development from free-spirited young woman to the rigid, bejeweled and powdered iconic image of Gloriana.

"Her journey was huge and I wanted to use the fabrics as part of that journey," says Byrne, explaining how the clothes stay with no decoration, then take on large-scale patterns and finally hulkon embroidery that "becomes more like armor plating." The male wardrobes are also not the typical, Shakespearean "men in tights," but rather fabrics like Walsingham's crushed purple velvet that move with the body.

WHY do British costume designers seem so talented at creating period clothes without the weight of history? You could put it down to the penchant for the "bosoms and bonnets" history-as-soaps series on British television. Powell thinks that Italian designers are as good and that maybe "Europeans have a better sense of history."

"I think Merchant-Ivory was the backbone of that look starting and that the English is better at detail," says Byrne, who admits that her home in Bath, west England, tends to be furnished with "wonderful bits" of fabrics that end up in her costumes.

Powell pays her own work the ultimate compliment: The fashion-obsessed kid whose first thrift-shop purchase at age 13 was a 1930s black lace dress appears for an interview in a sharp chalk-striped pantsuit. Looks familiar? You can catch it on screen in the cool, mod scene of "Velvet Goldmine."

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Clothes With a Noble Vintage

By Suzy Menkes
International Herald Tribune

LONDON — When "Notting Hill," the oenw Julia Roberts-Hugh Grant comedy from the "Four Weddings and a Funeral" team, opens next year, the movie will set the seal of cool on the W11 zip code. The area is to the 1990s what Chelsea was to swinging London in the 1960s.

But Notting Hill has a long-standing relationship with the movies through its vintage stores, which are a happy hunting ground for film stars and costume creators alike.

Virginia Bates is expecting to see one of her bias-cut lace dresses on Roberts in the oenw movie — just as when Liv Tyler suddenly appeared on screen in "Stealing Beauty" in "a wonderful chiffon dress I didn't want to sell."

Her store, Virginia (98 Portland Road, W11), is a cornucopia of exquisite pieces: here a sea-green chiffon gown

with delicate embroidery; there a Victorian velvet cape ruffled with jet fringe; a 1930s brocade theater coat trimmed with panne velvet. Buckled moire silk shoes nestle beside ivory kid gloves, ostrich feather fans and beaded purses.

In her fishtail velvet Edwardian skirt ("I always wear silk velvet in the winter"), Bates is part of the picture. A former actress who appeared in Stanley Kubrick's "A Clockwork Orange," she set up shop 25 years ago, concentrating on her "passionate" period of the 1880s and 1890s. Extending her range up to the 1940s, her shop is now a magnet for models like Naomi Campbell, who buy the high-priced sinuous chiffon dresses, and for designers from John Galiano through Vera Wang, who are fascinated by the craftsmanship of the handmade pieces.

"It's very flattering to see something of mine on the catwalk," says Bates, who buys anything that is "tactile, romantic and sensual." Many of the pieces stay in her own closet. "If I was ever going to make any money, I would have to fall out of love with my clothes," she says. "It's harder and harder for me to part with them."

Sheila Cook (184 Westbourne Grove, W11) has a different take. For 20 years she had a prop-hiring company that might furnish 20 sets of jewelry for a Victorian ball scene. Her last big movie was "Evita," when the British costume designer Penny Rose asked for appropriate pieces to dress Madonna.

Now Cook is using her bold taste to gather goods for the new shop, she will open next year. She scours the nearby Portobello market and looks anywhere "from house clearances right up to Sotheby's and Christie's."

"I like strong design, whether it is a shawl, a dress or a piece of fabric — and the way it has been made," she says, pointing to the ornate pattern on 1930s curtains, the spectacular sweep of a 1980s straw hat, contrasting with the meringue lightness of an Edwardian one. With her historian's knowledge, she noted that in "Titanic," the period hats were worn low on the brow, instead of upstanding.

Such is her sharp eye that costumers send her on a fabric hunt and fashion designers rake through her collection of trimmings. How does she sort out the design from the dress?

"It's what speaks to me," she says. "I'm quite a definite person — that's how I landed up in the film and TV world."

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Virginia Bates, above, whose vintage clothing store attracts models and movie stars, and Sheila Cook, who has a sharp eye for what works in the movies.

Herald Tribune

BUSINESS/FINANCE

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Hong Kong Data Show Deflation

By Philip Segal
International Herald Tribune

HONG KONG — Retail sales in Hong Kong plunged 21 percent in September, one of the largest monthly drops ever, as government statistics confirmed that deflation had set in for the first time here.

The figures also showed that Hong Kong's economy appeared to be sinking into recession despite a surging stock market and the tentative beginnings of a recovery in real estate.

The composite price index screamed to a near halt in October, rising just 0.1 percent year-on-year. That was down from an increase of 2.5 percent for the 12 months through September. Compared with September of this year, prices fell 1.6 percent in October.

Anthony Chan, an economist with Hongkong Bank, said the data confirmed his belief that Hong Kong would see prices fall an average of 3 percent in 1999 — marking "the first deflation in the history of Hong Kong," he told Agence France-Press.

For stock investors and apartment buyers who have crowded back into those markets in recent weeks, the numbers may come as an unpleasant surprise. Investors have been responding positively to reduced interest rates in Hong Kong, partly a result of three recent quarter-point interest-rate reductions announced by the U.S. Federal Reserve Board.

But some analysts say investors have made far too much of the rate cuts, given the reluctance of banks to lend money in the face of 5.3 percent unemployment — a 15-year high — and the fear that interest rates could spike up again if a new emerging-markets crisis were to hit.

"Liquidity is a happy pill that makes all the bad things go away," said Paul Schulte, a strategist at ING Barings. "We still have three miles of glass to crawl over." Before the figures were announced, the benchmark Hang Seng index closed 2.7 percent higher, at 20,514.30 points, on expectations of additional rate cuts.

But away from the stock market, the picture has been far gloomier. The September drop in retail sales was the worst decline for retailers since the economic crisis set in late last year.

EU Finance Ministers Temper Their Calls for Rate Cuts

By Barry James
International Herald Tribune

BRUSSELS — European Union finance ministers toned down rhetoric in support of lower interest rates Monday, defusing a potential conflict with the European Central Bank, and strongly reaffirmed their determination to keep public deficits in check with the arrival of the European single currency, the euro, on Jan. 1.

"No one called into question the necessity of pursuing budgetary consolidation," said the European commission for monetary affairs, Yves Thibault de Silguy, as the ministers held one of their last meetings before the introduction of

monetary union by 11 countries. Even the German finance minister, Oskar Lafontaine, who has been one of the most outspoken in pushing for lower interest rates to promote economic growth, issued a low-key statement in which he said that lower rates were appropriate for a growth strategy. He said the independent central bank also had the responsibility of fostering growth and jobs, apart from its primary role of ensuring monetary stability.

The ministers reached no solution on representation of the euro zone in international meetings such as those of the Group of Seven finance ministers and the International Monetary Fund. Most governments agree that the zone should

be represented by the president of the European Central Bank, Wim Duisenberg, and by the EU's council of ministers, but it has not been decided whether a member of the European Commission, the EU executive, should also be on the team.

The EU countries that are already represented on such international bodies — Britain, France, Germany and Italy — contend that adding a commission spokesman would dilute Europe's voice in discussions with the United States on monetary and financial issues.

The finance ministers agreed that they would meet on Dec. 31 to set the rate at which national currencies will convert to the euro the following day.

The British chancellor of the Exchequer, Gordon Brown, meanwhile warned that he would block any attempt to impose "harmonization" of income taxes or corporate taxes in Britain.

"Tax harmonization is not the way forward for Europe," Mr. Brown said. "The new way forward is to make markets work better."

Mr. Brown said Britain would have a veto on any tax proposals from the EU, "and we will not hesitate to use it."

He has ruled out adopting the euro during the lifetime of the current British Parliament, which could last until 2002, and has said that a decision on eventual membership would be based on Britain's economic prospects at the time.

[A group of British executives attacked the government's delay on Monday, Agence France-Press reported. A statement signed by 114 representatives of business, published in a full-page ad in the Financial Times newspaper, urged the government to make a commitment to join at some point — preferably not long after Jan. 1.]

Treasury Minister Carlo Azeglio Ciampi of Italy said adherence to strict deficit limits was "a given."

"We don't need to repeat the credo," Mr. Ciampi said. Earlier, finance ministers in the socialist group, representing most EU governments, issued a position paper in which they reaffirmed the need for fiscal and budget discipline.

Can Deutsche Bank Succeed on Wall Street?

Chief of Germany's Largest Bank Prepares to Take Risk in Planned U.S. Expansion

By Edmund L. Andrews
New York Times Service

FRANKFURT — As chairman of Deutsche Bank AG, Rolf-Ernst Breuer has few illusions about the risks of a big expansion.

After all, Mr. Breuer has spent most of the past two years trying to repair the damage from the last big move. As he now seeks to acquire Bankers Trust Corp. for about \$9 billion, the obvious question is whether Germany's largest bank will have any better luck the second time around.

The pressures and the challenges are enormous. Confronted with bruising competition both at home and in global markets, Mr. Breuer decided months ago that he could not afford to sit still. Yet if the past few years have shown anything, it is that Deutsche Bank has not yet learned how to cope with the culture and practices of Wall Street.

After taking over the British investment bank Morgan Grenfell in the early '90s, Deutsche Bank spent billions recruiting star-quality investment bankers from Wall Street and building big new trading operations in London and New York.

Yet the overall results were weak. Costs soared, profits were disappointing, and several prized U.S. dealmakers defected a few months ago to Credit Suisse First Boston. Despite intense efforts, the bank has a second-tier presence in the United States.

"Breuer had to choose between doubling up or getting out of the business, and clearly they are now upping the stakes," said Mark Hoge, a banking-industry analyst at Credit Suisse in London. "My problem is in my confidence about Deutsche Bank's ability to manage this kind of a transaction. I don't believe that they truly understand what it means to manage an investment bank."

People close to the proposed acquisition argue that it

would strengthen Deutsche Bank in several ways. Bankers Trust would provide it with a substantial U.S. distribution network, they said.

Bankers Trust also owns BT Alex. Brown, a boutique investment bank that specializes in technology companies. That would fill a void created this summer, when Deutsche Bank's team of Silicon Valley dealmakers — about 140 people — fled to Credit Suisse First Boston.

But the potential problems are significant. Bankers Trust has run big trading losses in foreign markets including Russia, and analysts say it would be hard to spot other problems in advance of a merger. There is also speculation that Alex. Brown, which has lost executives since Bankers Trust acquired it, may push to spin itself off as a separate company.

Executives close to the negotiations said Josef Ackermann, a Deutsche Bank board member who oversees its investment banking business, would be co-chief executive — along with Frank Newman, Bankers Trust's chief executive — of a combined investment-banking unit.

Mr. Breuer's strategy remains unclear. He has given ambivalent signals about his interest in a big acquisition. An investment banker who became chairman of Deutsche Bank in May 1997, he soon scaled back the sweeping ambitions of his predecessor, Hilmar Kopper.

At the time Mr. Breuer took control, Deutsche Bank was still smarting from losses and had publicly generated by a rogue mutual-fund manager at Morgan Grenfell, Peter Young. Mr. Young poured money into a raft of dubious start-up companies. Deutsche Bank had to pay \$300 million to settle with investors.

Mr. Breuer was also alarmed by soaring costs at the London-based Deutsche Morgan Grenfell. By late 1997, he had begun to veto some of the plans conceived by the

See BREUER, Page 15



Mr. Breuer plans to turn Frankfurt-based Deutsche Bank, left, into a Wall Street power.

Thinking Ahead/Commentary

Let's Make Bananas, Not Trade War

By Reginald Dale
International Herald Tribune

WASHINGTON — "The great banana split." "Have Europe and America gone bananas?"

Those are the kinds of headlines to which we are inevitably being treated as the United States and the European Union flirt recklessly with a trade war over bananas, a tropical fruit that neither of them actually grows in any quantity.

But the banana war is no laughing matter. It is placing unnecessary strains on trans-Atlantic relations at a time when Americans and Europeans should be cooperating to solve the global economic crisis and it is raising serious questions over the future of the world trading system.

With protectionist forces flexing their muscles around the world, the two major commercial blocs are behaving with petty inresponsibility just when they ought to be setting a good example.

For in this dispute both sides are at fault. And to make matters worse, the Geneva-based World Trade Organization, which ought to be refereeing the fight, has made mistakes, too.

European tempers have flared since Washington threatened this month to retaliate with prohibitive tariffs on hundreds of millions of dollars of European exports if the EU does not quickly open up its enormous market, accounting for 40 percent of world

trade in bananas, to fruit shipped from Latin America by U.S. corporations.

The EU grants preferential treatment to bananas from former British and French colonies, most importantly in the Caribbean; and although the WTO, at American demand, has ruled that the EU must modify its system, it has not done so to Washington's satisfaction.

Americans say the system is intended to help France maintain its influence over former colonies, at the expense of the European consumer. British officials retort that if the Americans get their way, the high-cost Caribbean nations will be forced out of the banana business and into the drug trade.

But the EU has done little to help the Caribbean countries diversify their economies away from bananas in anticipation of the day when the preferential system may have to be changed or abolished. And the system's main beneficiaries are not the banana growers, but the people who market their high-priced produce in Europe.

Particularly reprehensible is the way the EU seemed to be trying to avoid compliance with the WTO ruling against it by means of technical and legalistic maneuvers. A main point of establishing the WTO in 1995 was to ensure that members could no longer block judgments against them, as they did under the previous General Agreement on Tariffs and Trade.

Washington, on the other hand, has undermined its case by undignified subservience to the demands of Chiquita Brands International Inc., the world's largest banana trader, and its politically powerful chairman, Carl Lindner, a lavish financial contributor to both major U.S. political parties.

The United States is also threatening to weaken the WTO by introducing sanctions unilaterally rather than through the approved multilateral procedures. The WTO itself has not lapsed by vagueness about how its ruling against the EU should be implemented.

It is quite absurd, however, that the United States and the EU should both in their own fashion be risking weakening the WTO's future authority simply to get their way on a mildly exotic yellow fruit that is hardly crucial to either of their economies.

No one has a greater interest in the effectiveness of the WTO than the world's top trading nations. Clearly Geneva is the place to settle this dispute, which means that Washington should suspend its threat of sanctions in return for the EU's agreeing to abide by a quick verdict.

If Europeans and Americans cannot stop this silly argument, the answer to the headline writer's question can only be that, yes, they really have gone bananas.

E-mail address: Thinkahead@washpost.com

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180-day CD (100)	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	6-month interbank	6 1/2	6 1/2			
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1-year T-bill	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	12-month rate	6 1/2	6 1/2			
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4-year T-bill	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	12-month rate	6 1/2	6 1/2			
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1-year T-bill											

Mika Hakkinen
1998 Formula One World Champion
Team McLaren Mercedes

Even at 300 km per hour,
he stays as laid-back as life
in his native Finland.



Courage meets

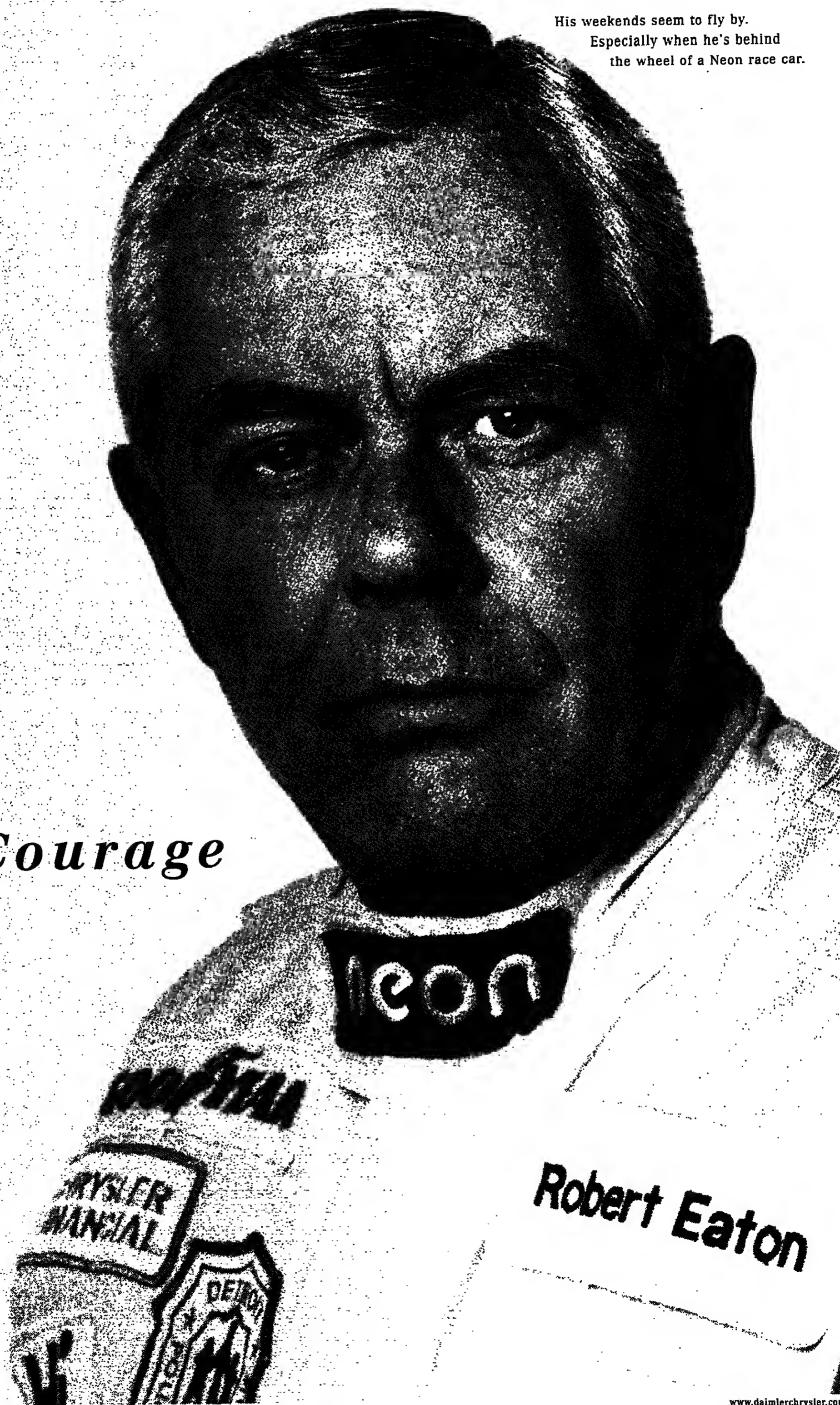
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Robert J. Eaton
Chrysler Corporation Chairman

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Especially when he's behind
the wheel of a Neon race car.



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extraordinary minds that conceived of these ideas are now one at DaimlerChrysler. It's the place where the transportation industry's most fearless thinkers are working to shape an adventurous future.

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1997	CRB/Bridge Futures	122.09	123.2
1999		126.79	199.1
1991	Source: Metallgesellschaft Press, London		
1997	Int'l Financial Futures Exchange, Inc.		
1991	Polonium Exchange		

EUROPE

News Corp. Creates Unit To Expand on Continent

LONDON — News Corp. said Monday it was creating a European subsidiary, News Corp. Europe, that would be based in Milan and would manage the company's push into investments on the continent.

Rupert Murdoch, chairman of the worldwide media and entertainment concern, said Letizia Moratti, former chairman of the Italian state broadcasting company RAI, would be chairman of the new unit. He also said News Corp. and the French broadcasting company TFI were in advanced discussions with Telecom Italia SpA about a joint venture to develop the Italian pay-TV market.

Telecom Italia, the country's largest telephone company, would hold a 51 percent stake in the venture, Mr. Murdoch said. News Corp. would have 39 percent, held through News Corp. Europe, and TFI would own 10 percent.

The move would be Mr. Murdoch's first major thrust into Continental Europe, after aborted efforts in Germany and Italy.

It would enable News Corp., which already controls British Sky Broadcasting Group PLC, to compete with Canal Plus SA of France, Europe's largest pay-television broadcaster.

There are only three European markets of any size to make pay-TV

worthwhile: Italy, France and Germany, said Nicholas Bell, managing director of European equity research at Bear, Stearns & Co. "France is sewn up," he added. Germany may be open at some point, but you need a local partner. That leaves Italy.

Shares of Canal Plus, which owns Italy's dominant pay-TV company Telepiù SpA, fell 122 francs, or 8.5 percent, to close at 1,320 (\$233). Mediaset SpA, Italy's biggest commercial company, which has an option on 10 percent of Telepiù, fell 254 lire, or 2 percent, to 12,157 (\$729).

Mr. Murdoch's attempt to take over Mediaset, which is controlled by Silvio Berlusconi, failed this year. News Corp. has been talking with Telecom Italia for several months about buying a stake in its Stream pay-TV unit. Mr. Murdoch has also been in talks this year about investing in Kirch Group, Germany's second-largest media company. But those talks have been "scaled down," Mr. Murdoch said Monday.

Mr. Murdoch said he would meet in the next few days with Franco Bernabè, who became Telecom Italia's chief executive Monday, to discuss the terms of the venture.

"We are both so far very much of one mind," Mr. Murdoch said. "It will either start very quickly or not at all." (Bridge News, Bloomberg)

Swiss to Keep Franc Down

VIENNA — The Swiss National Bank said Monday it would do everything it could to fight a strong Swiss franc when the euro was introduced, adding it would intervene in the currency market if need be.

"We do not exclude the possibility of intervening in the foreign-exchange market or money market to fight against developments which would be considered out of line with economic fundamentals," Jean-Pierre Roth, vice president of the bank, said here. The central bank does not regularly sell Swiss francs or buy other currencies to reverse a rise in the Swiss currency.

The central bank's main goal, after maintaining price stability, is to keep the franc from appreciating against other European currencies and the dollar, because that would make Swiss exports less competitive and hurt the domestic economy. The bank also said a "clear interest rate, which are already at a 20-year low."

But pegging the franc to the European Union's single currency "is not a feasible alternative," Mr. Roth said, calling the coming of the euro "excellent news" for Switzerland.

Ex-Soviet Economies To Shrink 5.5% in '99

Growth Is Forecast in Rest of Eastern Europe

LONDON — Economies across the former Soviet Union will shrink 5.5 percent next year, their worst performance in five years, because of Russia's financial troubles, but the rest of Eastern Europe will show even stronger growth than this year, the European Bank for Reconstruction and Development said Monday.

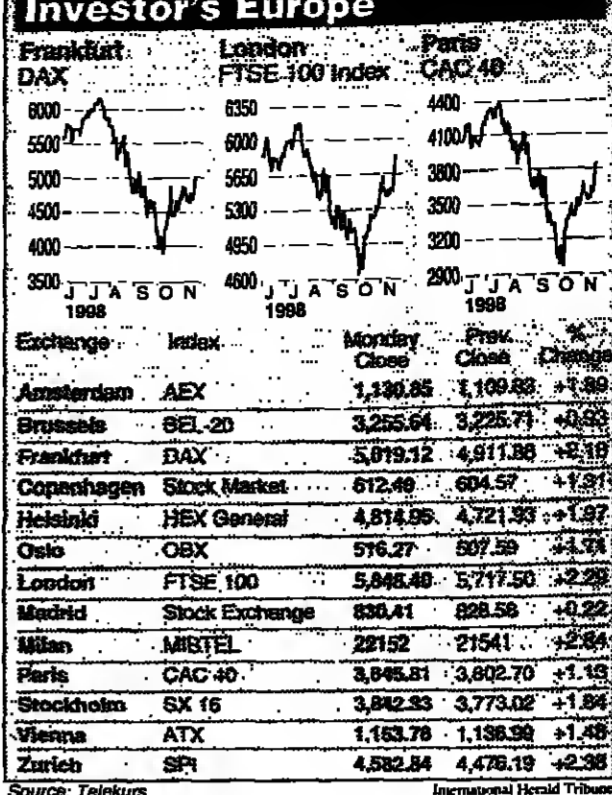
Russia will lead the decline, with its gross domestic product expected to fall 7 percent, compared with an estimated 5.5 percent this year, and its inflation rate climbing to 200 percent from 150 percent.

The bank, set up to finance free-market development in former Communist countries, said the most advanced economies in Eastern Europe, including Poland and Hungary, had proven their resilience to problems in Russia, where the ruble has been devalued by more than 60 percent since mid-August.

"This year there's been a deepening of reforms in some countries like Poland and Hungary and a backtracking in some others," said Nick Stern, the bank's chief economist, at a briefing ahead of the release of its annual Transition Report.

Growth in Eastern Europe is expected to climb to 3.6 percent next year from an estimated 3 percent

Investor's Europe



Very briefly:

- South Africa's economy contracted at an annual rate of 2.3 percent in the third quarter compared with the second — its worst performance since the end of apartheid in 1994 — as interest rates rose sharply, stifling demand.
- Thyssen AG's elevator-making subsidiary agreed to buy the elevator unit of Dover Corp. for \$1.1 billion plus expenses from the transaction, as the German industrial giant seeks to expand in North America.
- Olivetti SpA will not face sanctions stemming from an incident Aug. 19, when the company's shares surged after it improperly disclosed information on business growth, Italian securities regulators decided.
- Volvo AB will reduce the white-collar work force at its automaking unit by about 1,000 and the number of consultants by about 250; the company had been expected to cut as many as 4,300 jobs as it tried to improve its profit.
- Rover PLC unions agreed to more than 2,400 job cuts at plants in Britain, a company source said. The automaker is owned by Bayerische Motoren Werke AG of Germany.
- Royal Philips Electronics NV will move its glass diode assembly operations from the Netherlands to the Philippines to cut costs. The move will cost 218 jobs at Suddskanal in the northern Netherlands.

Siebe Plans to Buy Parts-Maker BTR for £3.7 Billion in Stock

LONDON — Siebe PLC, a British engineering company, said Monday it would buy BTR PLC, a maker of auto and industrial parts, for £3.7 billion (\$6.13 billion) stock swap that would create one of the world's biggest makers of industrial controls and automation equipment.

The combined company would have a market capitalization of £7.6 billion and annual sales of £8.7 billion. Siebe shareholders would own 55 percent of the new company, to be called BTR Siebe, and BTR shareholders are to own the rest.

Analysts said Siebe was acquiring BTR, which traces its history back 200 years, at a low price and wondered whether another suit might emerge.

"The industrial logic is without question," said Howard Wheelton of Matheson Investment. "But the BTR shareholders on the short-term basis will have every right to severely question this deal."

BTR shares rose 38 pence to close at 133, while Siebe climbed 28 to 243.

Despite the company's completion of a radical restructuring this year, BTR's share price touched new lows last week amid analyst fears of further profit warnings ahead. Siebe's share

price has also been under pressure, mainly on fears of a downturn in its main capital-goods markets in the United States and Europe.

The deal is part of a wave of consolidation among engineering companies, which are seeking to cut costs and extend their product ranges.

The new company plans to cut 5,000 jobs, or 4 percent of its combined work force of 125,000, executives said. The cuts are to come in marketing, corporate staffing and elsewhere.

Cost savings are projected to be £80 million in the first year, £160 million in the second and £250 million in the third. (Bloomberg, Reuters)

WORLD STOCK MARKETS

Monday, Nov. 23
Daily prices in local currencies.
Telekurs

High	Low	Close	Prev.
Amsterdam	138.25	138.25	138.25
ASEAN	119.00	119.00	119.00
ASEAN	119.00	119.00	119.00
ASEAN	119.00	119.00	119.00
ASEAN	119.00	119.00	119.00
ASEAN	119.00	119.00	119.00
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ASEAN	119.00	119.00	119.00
ASEAN	119.00	119.00	119.00
ASEAN	119.00	119.00	119.00

High	Low	Close	Prev.
Bombay	274.00	274.00	274.00
Bombay	274.00	274.00	274.00
Bombay	274.00	274.00	274.00
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High	Low	Close	Prev.
London	112.50	112.50	112.50
London	112.50	112.50	112.50
London	112.50	112.50	112.50
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London	112.50	112.50	112.50
London	112.50	112.50	112.50
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London	112.50	112.50	112.50

High	Low	Close	Prev.
Oslo	82.00	82.00	82.00
Oslo	82.00	82.00	82.00
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Oslo	82.00	82.00	82.00
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Oslo	82.00	82.00	82.00

High	Low	Close	Prev.
Stockholm	102.50	102.50	102.50
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Stockholm	102.50	102.50	102.50
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Stockholm	102.50	102.50	102.50

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Singapore Turns Up Heat on Hong Kong

Compiled by Our Staff From Singapore

SINGAPORE — The Singapore market's bid to eclipse its financial competitors in Asia took a step forward Monday when its monetary exchange resumed trading in a futures contract based on stocks nearly identical to the benchmark Hong Kong index.

The Morgan Stanley Capital International Hong Kong Stock Index Futures contract was relisted on the Singapore International Monetary Exchange after a one-year break despite vehement opposition from the Hong Kong Stock Exchange. The Singapore exchange said the contract got off to an "encouraging start" Monday with 672 December contracts traded; they settled at 7,416 points after opening at 7,280.

Officials of the Hong Kong bourse have complained that the contract — based on an index practically the same as the Hang Seng — may be used by speculators to renew attacks on the Hong Kong stock market.

Futures allow investors to protect them-

selves against price changes by requiring those who hold the contracts to buy or sell a security, currency or commodity at a predetermined price during a stipulated period.

The Hong Kong exchange has cast doubt on the ability of the Singapore exchange to properly regulate the Hong Kong-linked futures. But it fears that the Hong Kong exchange would thwart the rival contract from the start — by withholding the live price data required to compile the index — were temporarily allayed when the exchange extended a three-month grace period for information vendors providing market data to Morgan Stanley.

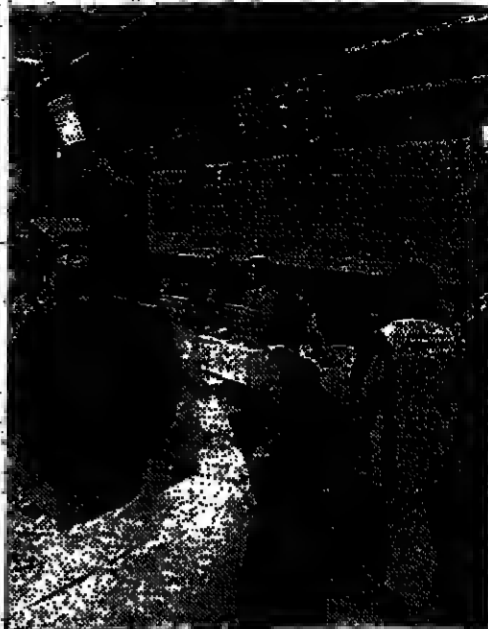
Morgan Stanley may already have sidestepped the problem anyway. It recently released the formula for the rival index on its Internet site, letting any traders with the real-time information calculate the index.

Singapore's decision to reintroduce a contract that had only marginal business during five years of previous trading is seen as part

of an effort to outdo its principal competitor in the region and turn Singapore into the leading financial center in Asia.

While Hong Kong has recently intervened to prop up its stock market, raising investor fears that it has abandoned its laissez-faire approach to business and the markets, Singapore has been easing previously rigid regulations. Singapore officials say the futures contract is not aimed at taking business away from Hong Kong and have reassured their counterparts that Singapore regulators will prevent speculators from attacking the Hong Kong market.

Previous discussions between the exchanges failed to resolve the issue. It took a meeting between the Hong Kong chief executive, Tung Chee-hwa, and Prime Minister Goh Chok Tong of Singapore last week to ease fears. The leaders agreed to have their regulatory authorities cooperate so that speculators would not be able to exploit differences in trading regulations. (AP, AFP)



Singapore's new market offering Monday.

Record Company Is a Hit With Japanese Teens but Not With Investors

By Gary Schaefer

Bloomberg News

TOKYO — It took Avex Inc. only 10 years of pumping out hypnotic dance beats to become Japan's second-largest recording company. But Avex still has not found a way to move investors.

Reluctant to stake money on the whims of teenagers, fund managers gave a cool reception to Avex when it went public Oct. 1, but they may want to listen up.

Avex, now second only to Sony Music Entertainment (Japan) Inc., owes its success as much to perspiration as to inspiration. While carefully test-marketing new artists to keep up with young listeners' changing preferences, management is diversifying its repertoire and even expanding overseas — steps that analysts say will allow Avex to defend and expand its one-eighth share of Japan's 600 billion yen (\$5 billion) market for audio recordings.

"Avex is in a virtuous circle," said Michael Leichensring, an analyst at Towns Securities Research Institute Inc. "The success of existing star artists is attracting promising new ones or prompting emerging artists to shift affiliation."

The numbers should be music to investors'

ears: Last year, Avex grabbed 13 percent of the market, close behind Sony Music's 17 percent; and Avex is forecasting a 13 percent rise in profit this year, while Sony Music recently slashed its earnings projection. Yet Avex shares traded at just 16 times its forecast earnings per share, compared with 21 times for Sony Music. Analysts say its first-half profit, due to be released Tuesday, is likely to confirm that the hit factory is running smoothly.

Established in 1988 to import compact disks from Europe, Avex elbowed its way into the spotlight in 1992 when it introduced TRF, the first Japanese dance group to climb to the top of the domestic pop charts.

Bringing together the slick moves of five snazzy dancers and the synthesized sounds of its producer, Tetsuya Komuro, TRF became Avex's first million-seller.

In an industry long dominated by companies that have a thick catalog of artists and close affiliation with an electronics manufacturer, Avex has become a leader with neither. It has relied on a small number of acts created by a smaller number of talented producers, and the company punnels target audiences with precision-aimed advertising.

Outsourcing manufacturing and part of its distribution, Avex has a staff of just 265,

compared with 1,716 at Sony Music.

Avex's methodical approach to marketing is widely cited as the reason for its success. The company recruits acts in high-profile auditions, tests public reaction at discos and other venues and supports the most promising candidates with intensive advertising campaigns. Promotional expenditures last year were equivalent to 23 percent of sales, among the highest in the industry.

Still, Avex's debut on Japan's over-the-counter market was clearly a flop.

Listed on Oct. 1, shares in Avex first traded at 5,000 yen, down from an issue price of 6,500. On Friday, the stock closed at 5,400, up 50. Markets in Japan were closed Monday for a holiday.

Fund managers balked at the long-term unpredictability of profit growth in an industry in which today's star is tomorrow's has-been.

"The entertainment business is a real roll of the dice for investors," said Yoshio Inamura, an assistant general manager at Tokyo-Mitsubishi Asset Management Co. "The feeling is that if you're going to hold anything at all, Sony Music is it, because its relationship with Sony brings some stability."

Sony Music's profit does not sound too bad, even when the parent company, Sony Corp.,

fails to impress listeners — as was the case during the first half of this year, when it could not match last year's best-selling album by the pop trio Dreams Come True.

Lower record sales and higher advertising expenses forced Sony Music to cut its full-year profit forecast by 42 percent, to 3.7 billion yen, on Sept. 25. But it managed to raise its forecast for group earnings by 2 percent, to 32.7 billion, because of a contribution by its subsidiary, Sony Computer Entertainment Inc., the maker of the popular PlayStation video consoles.

Sony Music, which is 71 percent owned by the world's second-largest consumer electronics company, shares ownership of Sony Computer with its parent.

"Avex doesn't have anything to fall back on if the hit machine sputters," said Yosuke Mitsusada, a senior fund manager at NCG Investment Trust Management Co. "If that happens, advertising expenses will really start to weigh on profits — just look at Sony Music."

On the day of its initial public offering, Avex estimated that group profit would rise 13 percent this year, to 3.3 billion yen. Sales are projected to rise 10 percent, to 62 billion yen, as a new distribution subsidiary makes its first full-year contribution to earnings.

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ASIA/PACIFIC

Seoul Ends Pohang's Monopoly in Steel

SEOUL — South Korea said Monday that it would end state-run Pohang Iron & Steel Co.'s three-decade monopoly over the primary steelmaking business.

By throwing open the door to competitors, the Fair Trade Commission said it hoped to increase efficiency — even though few analysts expect Pohang to face a challenge soon. It would cost billions of dollars for a competitor to establish a primary-steel business, which is one that makes steel from ore, not from scrap metal.

"We will strongly promote new entries and support competition in

the steel industry," said Joh Hak Kyn, director-general of the antitrust policy bureau of the Fair Trade Commission. "It doesn't mean Hyundai or foreign firms will immediately jump in to break the monopoly."

The government has long blocked efforts by Hyundai Corp., the largest South Korean industrial conglomerate, to break into the steel industry, citing concerns about oversupply. Pohang has used its national monopoly in the primary steelmaking business to become the second-largest steelmaker in the world after Nippon Steel Co. Thirteen South Korean companies make steel from scrap.

The Fair Trade Commission also

recommended that Pohang's two giant ironworks be separated and sold. A commission official said the move would help the industry's competitiveness and speed the privatization of Pohang. The government has offered to sell only a small part of its 32.7 percent stake in Pohang this year as part of its gradual privatization. If fully privatized, Pohang would be South Korea's sixth-largest *chaebol*, or conglomerate.

Pohang immediately rejected the idea of splitting and selling off the ironworks. "It's an idea that lacks practicality," said Chung Yeon Tae, a company spokesman. The two blast furnaces, in Pohang and

Kwangyang, have an annual production capacity of more than 10 million tons of steel each.

In a further move to encourage competition, the commission fined 18 Pohang sales affiliates a total of 16.26 billion won (\$12.9 million) for unfair sales practices such as refusing to buy products from rivals.

Pohang, one of the most profitable South Korean companies, had a net profit of 720 billion won last year. But the company's monopoly and its government-supported growth have been the source of trade disputes with the United States, which has accused South Korea of dumping steel. (Bloomberg, AFP)

HK Telecom To Buy Star's Internet Unit

HONG KONG — Hong Kong Telecommunications Ltd. said Monday it had agreed to buy the unprofitable Internet business of its rival Star Telecom International Holding Ltd. in a deal that would give it slightly more than half of the territory's booming Internet market.

Hong Kong Telecom wants to buy Star Internet, a subsidiary of Star Telecom, for 245.5 million Hong Kong dollars (\$31.7 million), but Asia Online, a competitor, immediately called the deal a threat that could force small players out of the market.

"Hong Kong Telecom is in a position to practice predatory pricing against would-be competitors and control the introduction and use of new Internet technologies," said Asia Online, which has about 20,000 subscribers, less than one-tenth of Hong Kong Telecom's Internet customer base even before any merger.

The sale will close only if government approval is obtained by Dec. 31, Hong Kong Telecom said.

Hong Kong has no anti-monopoly laws for Internet service providers, but regulators will study the merger's effects on market competition and consumer interest before taking any action, said Danny Ng, a spokesman for Hong Kong Telecom.

Hong Kong Telecom, a subsidiary of Cable & Wireless PLC of Britain, has been aggressively expanding into new markets to cushion the loss of revenue it expects to face after Jan. 1, when it surrenders its monopoly on international direct-dial telephone services in exchange for a payment of 6.7 billion dollars.

Investor's Asia

Exchange	Index	Monday Close	Prev. Close	Change
Hong Kong	Hong Kong	10,914.53	10,933.56	-19.23
Singapore	Straits Times	1,376.84	1,347.99	+28.85
Sydney	All Ordinaries	2,747.69	2,708.60	+39.09
Tokyo	Nikkei 225	14,778.34	14,778.34	0.00
Kuala Lumpur	Composite	877.17	867.58	+9.59
Bangkok	SET	380.43	371.53	+8.90
Seoul	Composite Index	458.95	452.93	+6.02
Taipei	Stock Market Index	7,312.26	7,383.58	-71.32
Manila	PSX	1,822.26	1,841.88	-19.62
Jakarta	Composite Index	424.39	403.85	+20.54
Wellington	NZSE-40	1,986.56	1,976.83	+9.73
Rosario	Sensitive Index	2,949.57	2,941.38	+8.19

Very briefly:

- Fleet Financial Group Inc. of Boston agreed to buy Sanwa Business Credit, a U.S. finance company, from Saowa Bank Ltd. of Japan to increase its equipment-leasing and financing business. The banks did not disclose financial details, but sources said the price was more than \$700 million.
- Taiwan's jobless rate held steady at 2.98 percent in October as falling interest rates and a stable currency offset the impact of a slowing economy. The government has predicted economic growth of 5.3 percent for this year.
- Japan agreed to guarantee \$500 million in Thai public-sector bonds. "We believe the Thai economy has bottomed out," said Hideaki Hato, an official at the Ministry of International Trade and Industry.
- Saudi Arabian Oil Co. agreed in principle to buy an additional 14 percent of its South Korean joint venture, Sangyong Oil Refining Co., for \$170 million, raising its stake in the venture to 49 percent.

BREUER: Is Deutsche Bank's Chief Prepared for Risk?

Continued from Page 11

company's recruits from Wall Street. He also trimmed bonuses, causing many people to quit.

After that, he took away much of Morgan Grenfell's independence by merging it with the parent company's commercial bank and eliminating the name Morgan Grenfell.

This spring, Mr. Breuer repeatedly denied rumors that he was interested in acquiring institutions such as Credit Suisse or J.P. Morgan & Co. "Our motto is 'Europe first,'" he said in March, in what many took as a restatement of Mr. Kopper's goal of establishing Deutsche Bank as one of the top 10 investment banks on Wall Street. Though insisting that he still interested in U.S. acquisitions, Mr. Breuer said he was more in the market for companies that managed assets than for entire investment banks.

But competitive pressures made it difficult for Deutsche Bank to re-emerge entirely. Because of bruising

competition, profits from commercial banking in Germany have long been anemic. In an era when all big banks compete globally for investment capital, Deutsche Bank and most other German institutions generate a return on equity far lower than those of big U.S. banks.

At the same time, Wall Street investment banks such as Morgan Stanley & Co., Merrill Lynch & Co. and Goldman Sachs & Co. dominate the lucrative business of advising big European companies on mergers and acquisitions.

In addition, the financial industry on both sides of the Atlantic has been swept by merger fever. The merger of UBS and Swiss Banking Corp. in January created a global giant far bigger than Deutsche Bank. The combination of Citicorp and Travelers Group as Citigroup may well have added to the pressure.

Deutsche Bank's renewed push into investment banking and into the United States is quite different from the strategy of Germany's oxi-

largest banks. Although Dresdner Bank AG and Commerzbank AG have formed alliances in other European countries, they have been far more restrained about carving out positions as global competitors.

But with more than \$600 billion in assets and 75,000 employees, Deutsche Bank may have no choice except to compete on a world stage.

If Mr. Breuer carries out a Bankers Trust acquisition, a big challenge will be fitting it as a coherent unit. Before he retired, Mr. Kopper argued that he had to give the newly acquired London investment bankers free rein because his German bankers did not have the same expertise in the American-British style of deal-making.

Mr. Breuer reversed that strategy, asserting control in the home office. With Bankers Trust, which does a large part of its business in the United States, he faces a possible three-way struggle among Wall Street, London and Deutsche Bank's twin-towered headquarters in Frankfurt.

Foreigners Cut China Investment

BEIJING — Hit by the Asian financial crisis, pledges of new foreign investment in China dropped 1.5 percent in the first 10 months of 1998 from a year earlier, a trade official said Monday.

Ma Xihoung, an assistant minister for the Ministry of Foreign Trade and Economic Cooperation, said contractual promises of future foreign investment totaled \$39.41 billion this year through Oct. 31.

The total number of projects approved in the 10 months was down 4.2 percent from a year earlier, to 16,168.

Meanwhile, the amount of foreign money actually invested in China rose 0.9 percent, to \$35.9 billion, as higher flows from Europe and North America compensated for an 11 percent to 12 percent decline from Asia.

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You can't always see what you need – at least not at first glance. That's why a fresh perspective can reveal completely new dimensions. And the old way of doing things may not necessarily be the best. If you want your bank to look beyond the obvious in planning your future, try talking to us. Because in everything we do, we try not to be just any bank, but the right bank for you. ❄️ UBS

UBS AG: Private Banking: ❄️ UBS Institutional Asset Management: ❄️ UBS Brinson Investment Banking: ❄️ Warburg Dillon Read Private Equity: ❄️ UBS Capital





Prada Tel +39 02546701

PRADA

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The 1,000 most traded National Market securities
in terms of dollar value, updated twice a year.
The Associated Press.

1900	1901	1902	1903	1904	1905	1906	1907	1908	1909	1910	1911	1912	1913	1914	1915	1916	1917	1918	1919	1920	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100
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Monday's 4 P.M.
(Continued)

[illegible]

WORLD ROUNDUP

Rose Loses Bloom

GOLF Justin Rose, the teenager who finished fourth in the British Open as an amateur, failed Monday to win his card for next season's European tour.

The 18-year-old Englishman missed the cut in the other eight tournaments he played and had to join 180 others in the six-round qualifying event at Sotogrande, Spain. He needed a 70 in the final round to join the top 35 and win a tour card, but shot an 80. (Reuters)

• Laura Davies ended a 20-month victory drought on the LPGA Tour on Sunday, closing with a three-under-par 69 for a four-stroke victory in the season-ending Tour Championship in Las Vegas.

Davies, who won \$215,000, had an 11-under-277 total. Brandie Burton, Karrie Webb and Pat Hurst tied for second. (AP)

Cricketer Killed by Ball

CRICKET A first-class cricketer died in Hyderabad, Pakistan, on Sunday when he was hit on the neck by a rising delivery in a club match. Ifkhar Ahmad, 32, who had played two first-class matches for Karachi, was struck while attempting a hook shot. (Reuters)

Hings Takes Revenge

TENNIS Martina Hings finished the season Sunday by beating Lindsay Davenport, the woman who took her No. 1 ranking, 7-5, 6-4, 4-6, 6-2 in the final of the Chase Championships in New York. "I guess I got you this time," Hings whispered to Davenport as the two shook hands at the net. (NYT)

Stanford Beats No. 1

COLLEGE BASKETBALL For the second consecutive week, the top-ranked team in women's basketball lost. Regan Freun's free throw with one second to go gave Stanford (1-3) a 73-72 upset over visiting Purdue (2-1). Purdue had attained the No. 1 ranking by snapping Tennessee's 46-game winning streak. (NYT)

Whiz Kids' Sister Dies

BASEBALL Dick Sisler, 78, a member of a prominent baseball family who gained his own niche with a pennant-winning home run for the Philadelphia Phillies' 1950 Whiz Kids team, died Friday in his hometown of Nashville, Tennessee. His father, George, was also a baseball player and is in the Hall of Fame. (NYT)

NFL Playoff Picture Comes Into Focus

Only Final Wild-Card Berth Is Still in Play

The Associated Press
There are five weeks of the regular season still to go, but already the playoff picture in the National Football Conference seems clear.

Barring a sudden collapse or an unexpected five-game winning streak by one of the current also-rans, the three division leaders — Atlanta, Dallas and Minnesota — seem set for the playoffs, along with playoff perennials Green Bay and San Francisco. The only doubt hovers over the final wild-card berth. Arizona, a 45-42 winner over Washington, has the inside track for its first playoff berth since 1982.

The Vikings and Cowboys essentially have three-game leads in their divisions. The closest race is in the NFC West where San Francisco is one game behind Atlanta, but both teams seem sure of at least a wild-card spot.

Falcons 20, Bears 13 In Atlanta, the Falcons won their fourth straight, but they know their fate rests on the health of Chris Chandler, their quarterback. Chandler went down clutching his leg in agony with six and a half minutes left, but the injury was later diagnosed as a right knee and ankle sprain. Chandler believes he'll be ready for the game against Cincinnati next week.

"It's certainly not a season-threatening or career-threatening injury," said Andrew Bishop, the team doctor.

Over the past two seasons, the Falcons are 14-4 when Chandler plays an entire game. They are 2-7 otherwise, including a 28-3 loss to the New York Jets with Steve DeBerg as the starter — their worst defeat this season.

Before he was injured, Chandler brought the Falcons back from a 13-3 deficit with a 13-yard touchdown pass to Terance Mathis and an 11-yarder to Todd Kinchen.

Cardinals 45, Redskins 42 Jake Plummer ran for three touchdowns and passed for two as Arizona held on at Washington after leading 31-0.

The Cardinals won despite outstanding performances from Trent Green, the Washington quarterback, and Michael Westbrook, a wide receiver. Green completed 30 of 49 passes for 382 yards and a career-high four touchdowns, and Westbrook had 10 receptions for 135 yards and three touchdowns.

Cowboys 30, Seahawks 22 Troy Aikman threw two touchdown passes and completed 28 of 42 for 296 yards as Dallas stayed two games ahead of the Cardinals in the NFC East.

Visiting Seattle led 14-13, but Aikman's 18-yard touchdown pass to Billy Davis and Chris Warren's one-yard run in the fourth quarter gave Dallas the victory.

Vikings 28, Packers 14 In Minneapolis, Randy Moss, the Viking wide re-

ceiver, had 153 yards receiving, including a 49-yard TD pass from Randall Cunningham, who matched Brett Favre's two scoring throws.

The Vikings clinched a playoff berth when the 49ers beat the Saints. **49ers 31, Saints 20** Steve Young, the San Francisco quarterback, had three first-quarter turnovers but finished with four touchdown passes as the 49ers fought back from an early 10-0 deficit against visiting New Orleans.

Panthers 24, Rams 20 Carolina won for the second time this season, forcing a turnover on a late interception return by St. Louis.

The Panthers were on the verge of squandering a 17-point lead when Roman Phifer intercepted a pass from Steve Benerline. But Mark Carrier stripped Phifer of the ball at the 5, and Carolina center Frank Garcia recovered in the end zone for a touchdown with 2:41 to go.

The Rams (3-8) lost for the 10th time in 11 games at home as well as losing quarterback Tony Banks to a sprained right ankle.

Lions 26, Bucs 25 Ron Rivers, substituting for Barry Sanders, ran 36 yards for a touchdown, and Trent Dilfer threw a crucial interception in the closing minutes at Tampa Bay.

Giants 20, Eagles 13 Phillip Sparks' two interceptions helped New York hand visiting Philadelphia its third shutout loss of the season.

Broncos 40, Raiders 14 In the AFC, the playoff picture is murky, but one thing appears to be Denver, which kept alive its hopes for an unbeaten season with its victory over Oakland in Denver.

John Elway went over 50,000 yards passing for his career as Denver scored the last 23 points against Oakland, whose defense ranks second in the NFL.

NFL rushing leader Terrell Davis ran for 162 yards on 31 carries and scored once, raising his season total to 1,492 yards, and the Broncos defense had three fourth-quarter interceptions, all of which were converted into touchdowns.

Steelers 30, Jaguars 15 Dewayne Washington returned two interceptions for touchdowns of 52 and 78 yards as Pittsburgh moved within a game of Jacksonville with its showdown AFC Central victory over the Jaguars.

Washington stepped in front of Keenan McCardell for his 52-yard return on the Jaguars' second possession, then added his fifth career TD return with 34 seconds left.

Jets 24, Oilers 3 Vinny Testaverde, the New York quarterback, threw for 237 yards and two touchdowns as won at Tennessee. The score was 3-3 at halftime before Testaverde led the Jets to touchdowns on their first two pos-



The Chargers' Trentayne Stephens going high to score against the Chiefs.

sessions of the second half. He capped each drive with TD passes, the first a 3-yarder to Koryshawn Johnson and then a two-yarder to Keith Byars.

Bengals 13, Patriots 12 Priest Holmes, who rushed for 173 yards against the Bengals in his first NFL start, piled up 227 more for Baltimore in the rematch at Cincinnati.

Chargers 35, Chiefs 37 In San Diego, two pass interference penalties against

James Hasty set up Craig Whelihan's one-yard TD pass to Charlie Jones with nine seconds left.

It was the sixth straight loss for the Chiefs despite their highest-scoring game of the season.

Bills 34, Colts 11 At Buffalo, Antowain Smith rushed for two touchdowns and Doug Flutie passed for two for the Bills, who scored 24 points in the second quarter.

Calgary Wins Canadian Football Crown

The Associated Press
WINNIPEG, Manitoba — Mark McLoughlin kicked a 35-yard field goal on the final play of the game to give the Calgary Stampeders a 26-24 victory over Hamilton in the 86th Grey Cup, the Canadian Football League championship game.

Hamilton took a 24-23 lead with 2:02 left Sunday on a one-yard run by Ron Williams, the quarterback, but the Tiger-Cats failed on a 2-point conversion attempt.

Jeff Garcia, the Calgary quarterback who was selected the game's outstanding player, then marched the Stampeders 52 yards over the final

1:57 to set up McLoughlin's fourth field goal of the game.

"We picked them apart down the field, made some plays and got the ball to where Mark could drive it through," said Garcia, who completed 22 of 32 passes for 260 yards and rushed for 47 yards and a touchdown.

Vince Daniels, the Calgary slotback, who was selected the game's outstanding Canadian, had six receptions for 52 yards.

Danny McManus, the Hamilton quarterback, was 20-for-39 for 288 yards with a touchdown and an interception.

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PARIS

SPORTS

Juventus Wins Delay

Match in Istanbul Put Back To Let Tensions Cool

Compiled by Our Staff From Dispatches
 NYON, Switzerland — UEFA on Monday postponed for a week a Champions League match in Istanbul between Galatasaray of Turkey and Juventus of Italy because of escalating tensions between the two countries.

The governing body of European soccer moved the game to Dec. 2.

Italy has refused a Turkish request to extradite a Kurdish leader for trial as a terrorist.

WORLD SOCCER

Thousands of people have taken to the streets in Turkey in the past week to protest. Juventus players and officials had said they felt they could be victims of anti-Italian sentiment.

Senior Minister Kulu Altas of Turkey said up to 20,000 police and paramilitary forces would be assigned to the match.

Juventus needs a victory against Galatasaray, the Group B leader, to keep alive its chances of qualifying for the quarterfinals. The delay will allow both teams to see how group rivals Rosenborg Trondheim and Athletic Bilbao do in their match Wednesday.

Brazil's Santos players accused a referee of changing his mind on the basis of information from touchline reporters during a Brazilian championship quarterfinal match.

The players, who had fought with radio reporters during the first-leg match with Sport Recife, were upset over a disallowed goal in the second leg over the weekend.

Referee Jorge Travassos initially gave the goal but then changed his mind. Television replays showed that the shot by Eduardo Marques entered the goal through a hole in the side-netting. Santos complained that Travassos was told about the incident by reporters. Travassos said his assistants pointed out his mistake, but he nevertheless said that soccer authorities should allow referees to use video evidence in similar cases.

Santos won, 2-1, but needs to win the third game at home on Wednesday to qualify.

This year, the quarterfinals are played over three legs that are decided on points, goal aggregate if points are level and the teams' first-stage records if goal aggregate is also level.

ARGENTINA Boca Juniors needs one point to claim its first title since 1992 after it won, 3-2, at Rosario Central while second-place Gimnasia La Plata lost, 2-1, to Talleres.

Unbeaten Boca extended its lead in the Apertura championship to nine points with three games left. The Apertura is the first of two championships played in the Argentine season. Teams play each other once in each event, and there is no overall champion. (AP, Reuters)



Mark Ramprakash, of England, hooking for four.

Australians Chase Advantage

BRISBANE — Michael Slater hammered 113 rapid runs as Australia strove to create a winning position on the fourth day of the first test match against England.

After England lost its last six first-innings wickets for 76 and was all out for 375, Australia raced to 237 for three wickets before declaring its second innings closed and setting England a victory target of 348 with just over a day to play. The tourists finished on 26 for no wicket.

Flyers' Goalie Shuts Door On Florida in Return Trip

The Associated Press

SUNRISE, Florida — John Vanbiesbroeck made 25 saves in his return to South Florida, including three critical stops in the third period, keeping Philadelphia in the game until Keith Jones scored the game winner 26 seconds into overtime to give the Flyers a 2-1 victory over the Florida Panthers.

Vanbiesbroeck has had many such nights in Florida, but Sunday was the first time that the Panthers were the victims. The goalie was the backbone of the Panthers for five years as Florida became the fastest-rising expansion club in the National Hockey League, going 33-34-17 in its first season and reaching the Stanley Cup finals three years later.

Last season, Vanbiesbroeck sniped with the Panthers' management over trades that shipped out vet-

erans to infuse the team with youth. He signed a \$10.5 million, three-year contract with the Flyers over the summer. He insisted that he harbored no hard feelings toward the Panthers.

NHL ROUNDUP

"I put all that behind me, the frustration," Vanbiesbroeck said. "I try to remember a lot of the good things."

Greeted with about a 50-50 mixture of cheers and boos as he took the ice, Vanbiesbroeck turned in a third-period performance that recalled the best of times.

He first turned away Scott Mellanby and Viktor Kozlov in close within a span of about 90 seconds early in the period. Then, with seven minutes left, he stopped Mark Parrish as he steamed through the right circle.

John LeClair scored his

12th goal as the Flyers notched their fourth straight victory.

Devils 5, Hurricanes 2 Bobby Holik had a goal and an assist as the New Jersey Devils won at Carolina.

Randy McKay, Jay Pandolfo, Denis Pederson and Scott Stevens added goals for the Devils, who won for the 10th time in 14 games.

Nelson Emerson and Ray Sheppard scored for the Hurricanes, who fell two games below .500 but kept their Southeast Division lead.

Mighty Ducks 4, Blackhawks 1 Paul Kariya set up goals by Marty McInnis and Steve Rucchin, and Guy Hebert again was solid in the net as the Mighty Ducks beat the visiting Chicago Blackhawks.

Stu Grimson and rookie Antti Aalto also scored for Anaheim, which won for the fifth time in seven games.

SCOREBOARD

ICE HOCKEY

NHL STANDINGS

EASTERN CONFERENCE

ATLANTIC DIVISION

NORTHEAST DIVISION

CENTRAL DIVISION

WESTERN CONFERENCE

PACIFIC DIVISION

NORTHWEST DIVISION

SUNDAY RESULTS

1st Period: Carolina, 3-0; Devils, 1-0.

2nd Period: Carolina, 3-0; Devils, 1-0.

3rd Period: Carolina, 3-0; Devils, 1-0.

Final: Carolina, 6-0; Devils, 1-0.

Total Goals: 7.

Shots: Carolina, 30; Devils, 15.

Saves: Carolina, 15; Devils, 30.

Penalty Minutes: Carolina, 10; Devils, 5.

Goalkeeping: Carolina, 15; Devils, 15.

Referee: John Smith.

Linesmen: John Smith, John Smith.

Officials: John Smith, John Smith.

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FOOTBALL

NFL STANDINGS

AFC

AFC EAST

AFC NORTH

AFC SOUTH

AFC WEST

NFC

NFC EAST

NFC NORTH

NFC SOUTH

NFC WEST

SUNDAY RESULTS

1st Quarter: Carolina, 3-0; Devils, 1-0.

2nd Quarter: Carolina, 3-0; Devils, 1-0.

3rd Quarter: Carolina, 3-0; Devils, 1-0.

4th Quarter: Carolina, 3-0; Devils, 1-0.

Final: Carolina, 6-0; Devils, 1-0.

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BASKETBALL

U.S. COLLEGE SCORES

SUNDAY RESULTS

1st Half: Carolina, 3-0; Devils, 1-0.

2nd Half: Carolina, 3-0; Devils, 1-0.

3rd Half: Carolina, 3-0; Devils, 1-0.

4th Half: Carolina, 3-0; Devils, 1-0.

Final: Carolina, 6-0; Devils, 1-0.

Total Goals: 7.

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Saves: Carolina, 15; Devils, 30.

Penalty Minutes: Carolina, 10; Devils, 5.

Goalkeeping: Carolina, 15; Devils, 15.

Referee: John Smith.

Linesmen: John Smith, John Smith.

Officials: John Smith, John Smith.

Attendance: 10,000.

Box Office: \$100,000.

TV Rights: \$10,000,000.

Sponsor: Coca-Cola.

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CRICKET

FREE STATE VS. WEST INDIES

FOUR-DAY TEST MATCH, SOUTH AFRICA

West Indies: 316 and 108

Free State: 67 and 438

Free State won by two wickets.

AUSTRALIA VS. WEST INDIES

FOUR-DAY TEST MATCH, AUSTRALIA

Australia: 485 and 237-3 declared.

England: 375 and 26-0.

England won by 10 wickets.

WOMEN'S TOP 25 SUNDAY RESULTS

1st Half: Carolina, 3-0; Devils, 1-0.

2nd Half: Carolina, 3-0; Devils, 1-0.

3rd Half: Carolina, 3-0; Devils, 1-0.

4th Half: Carolina, 3-0; Devils, 1-0.

Final: Carolina, 6-0; Devils, 1-0.

Total Goals: 7.

Shots: Carolina, 30; Devils, 15.

Saves: Carolina, 15; Devils, 30.

Penalty Minutes: Carolina, 10; Devils, 5.

Goalkeeping: Carolina, 15; Devils, 15.

Referee: John Smith.

Linesmen: John Smith, John Smith.

Officials: John Smith, John Smith.

Attendance: 10,000.

Box Office: \$100,000.

TV Rights: \$10,000,000.

Sponsor: Coca-Cola.

ART BUCHWALD

Deal Now, Pay Later

NEW YORK — All right, so the tobacco companies have settled with the states for \$206 billion. It sounds like a good deal on paper, but there are a lot of holes in it.

The money is to be paid out over a period of 25 years, so the companies have breathing room — excuse the expression. What no one has mentioned is that the executives who made the deal today will be 25 years older — some in their late 70s and 80s — when the final payment is made. This will require the retirees to remember what the deal was.

I take you to the Camelback Marlboro Senior Citizens Home in Sun City, where the treasurer of New York state appears to collect a portion of the final payment of the \$206 billion from Joe Nico, a former president of the Warning Cough Tobacco Co. Nico is sitting in his rocking chair when the state rep approaches him. "You still



Buchwald

owe us \$50 billion from the 1998 agreement when you promised not to sell tobacco to kids under 10 years old."

"I can't hear you. Speak up."

"We want our money."

"I haven't got any money. I lost all mine when our company invested its profits in skywriting airplanes."

"A deal is a deal, and Governor John Kennedy Jr. is counting on your money to balance his budget. Smoking is still dangerous to people's health, but that doesn't mean you can't pay for it through your nose."

"It's not addictive if you don't inhale," the former president said. "Our deal was that we would not sell cigarettes to kids or advertise them on Nintendo games. People who walked a mile for a Camel are healthier than those who never walked at all."

The state representative said, "Twenty-five years ago, you and other tobacco companies agreed to compensate us with billions of dollars for selling your coffin nails to customers. We want to get paid so people won't criticize us for making a lousy deal."

The former tobacco company president smiled. "None of us who made the deal are there anymore, so you will have to collect from the present owners. Frankly, we feel we got the lousy deal, and since people are smoking more than ever, there is no reason to pay anything to the states."

The state rep said, "A deal is a deal. If we can't collect from you, we're going to take the money out of your pension fund."

The ex-president was agitated. "If you do that, I'll only have \$5 billion to live on!"

Chance to Hear The 'Blobooy'

NEW YORK TIMES SERVICE
LONDON — The subject is composers. If this were "Jeopardy," the answer would be "Who is Harry Patch?"

The innovative music of Patch (1901-1976) will be the focus of a concert by Newband on Friday at Barbican Hall in London. It is a rare opportunity to experience the evocatively named instruments he built — the blobooy, chromelodeon and eucal blossom — and is the first time they have been played in Britain.

New York City Ballet Looks to What's Next

By Anna Kisselgoff
New York Times Service

NEW YORK — It isn't a trivia question to ask which of George Balanchine's ballets were on the first program when the New York City Ballet officially came into existence on Oct. 11, 1948. As virtually every City Ballet subscriber knows by heart, the triple bill consisted of "Concerto Barocco," "Orpheus" and "Symphony in C."

The same program will inaugurate the City Ballet's mammoth 50th-anniversary year Tuesday night at the New York State Theater, just as it did the 40th anniversary.

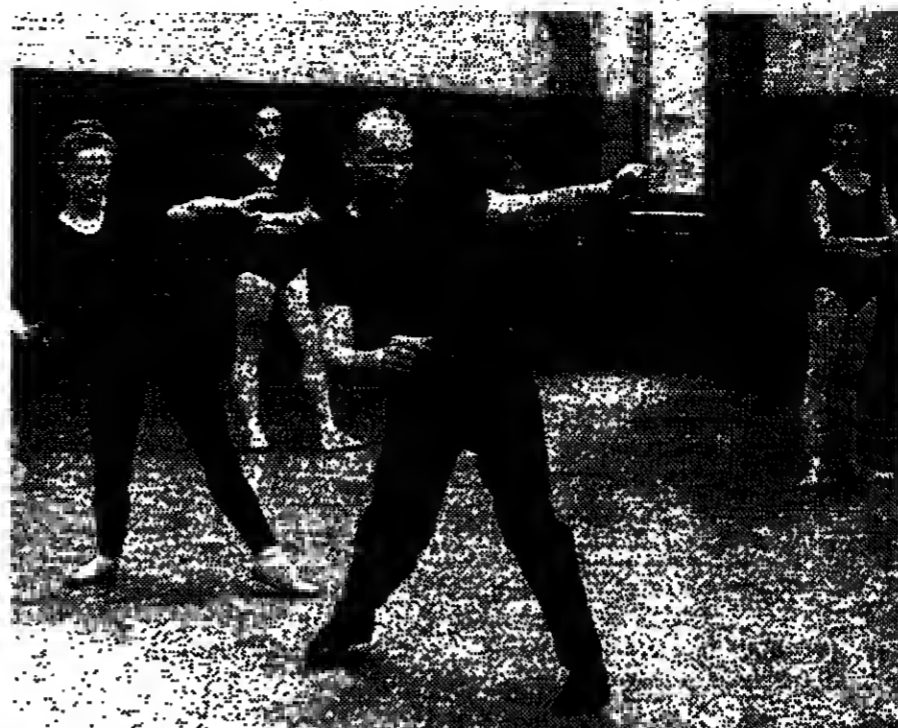
An act of piety, this replay has its limitations. As the 50th-birthday celebration will suggest with a spread of 100 ballets over the winter and spring seasons, the City Ballet never lived by Balanchine alone. He was certainly its dominant figure, but an appraisal of the company at its half century must also go beyond an appreciation of Balanchine.

Nonetheless, there is useful symbolism in Tuesday's program, which includes a tribute to Tanaquil LeClerq, a muse to both Balanchine and Jerome Robbins through her inimitable performances in the 1940s and '50s. Looking back, it is clear what Balanchine defined in the 1948 triple bill. With three signature pieces choreographed to music by Bach, Stravinsky and Bizet, Balanchine announced a company predicated not on ballet's stock repertoire but on creativity.

His fellow Russian, the poet Marina Tsvetayeva, once defined the creative compulsion in terms he would have recognized. In her essay "Why I Write . . ." she explained: "Not for the millions, not for some one-and-only, not for myself. I write for the poem alone. The poem, through me, writes itself."

To appreciate the City Ballet's achievement is to measure a comparable passion for choreography. It has been shared not only by Balanchine, but also by Robbins and Peter Martins, who served jointly as the company's artistic directors from 1983 to 1990. Martins has been sole artistic director since then. Balanchine died in 1983; Lincoln Kirstein, who founded the company with Balanchine and was general director, retired in 1989 and died in 1996. Robbins, who left in 1990 but returned to choreograph new ballets through 1997, died in July. For the first time, then, the City Ballet finds itself bereft of its founding fathers. Does it make a difference? Yes, if you expect time to stand still.

But as Martins has demonstrated, a com-



Balanchine rehearsing a new work at the New York City Ballet in 1963.

pany can change and still be true to itself. He has asserted full control since 1991, when the success of his splendid production of "The Sleeping Beauty" won over even those who will never forgive him for not being Balanchine. That he was hailed and assailed anew has become irrelevant. One has yet to find a company that dances Balanchine and Robbins better than the City Ballet or defends the value of the classical idiom so consistently in its entire repertoire. Martins is here to stay. The City Ballet board has given him a vote of confidence by offering him a contract for the next five years; he has agreed to sign.

But any 50th anniversary should celebrate what has been achieved in that half century. Essentially, the company has never faltered in its unofficial mission, which is to lead the public, not to follow it.

It is worth recalling the words Balanchine uttered upon his arrival from Europe. "Classicism is enduring because it is impersonal," he told the British critic Arnold Haskell in 1933. At that time, when there were barely

any permanent ballet troupes in the United States, few could understand what Balanchine meant by an unmanicured (impersonal) and codified (classical) dance idiom.

By affirming his faith in ballet's 300-year-old classical vocabulary, which was hardly in vogue in the 1930s, he laid the foundation for the company he was to establish with Kirstein. Classicism in the larger sense, with its attributes of harmony and balance, may have been implicit in his remark to Haskell. But the truth is that Balanchine was advocating a return to the steps of ballet's classical, or academic, lexicon. At a time when modern dance and the Expressionist influence in ballet were in the ascendancy, Balanchine expressed his loyalty to the language of Marius Petipa, choreographer of "The Sleeping Beauty." Renewed, this idiom and the neoclassical style could help ballet take hold in America and endure.

"Concerto Barocco," set to Bach's Double Violin Concerto, and "Symphony in C" to Bizet, look timeless today because

they are, in the best sense, "impersonal" and effective as formal constructs. By contrast, "Orpheus," with its Stravinsky score and biomorphic decor by Isamu Noguchi, has a 1940s experimental look.

It is easy to take the City Ballet's contribution to American culture for granted. The quality of the Robbins and Balanchine repertory, now brilliantly danced in most instances, is self-evident. One should also not forget that in an era once flooded with story ballets, the company waged an uphill battle to convince a skeptical public of the value of pure-dance works.

That Balanchine was drawn in this direction is no surprise. He had grown up in Russia, a country that had recently rejected its native theater tradition in art. It was not for his generation to favor subject over style, or to feel a duty to solve civic problems through art. Yet even an American like Robbins, following his success with "Fancy Free" at American Ballet Theater in 1944, opted for a less pictorial approach in his choreography when he joined City Ballet at its founding and became associate artistic director in 1949.

If the City Ballet remains true to itself, this is because it has been imbued with the consistent thinking that ruled its precursors, the earlier companies directed by Balanchine and Kirstein from 1934 to 1947. The American Ballet, Ballet Caravan (directed by Kirstein alone but using Balanchine's dancers), American Ballet Caravan and Ballet Society each had a different emphasis. But each concentrated on new works, not stars, and serious music, usually distinguished, often commissioned. Despite exceptions, the focus in choreography was not on narrative and decor but on the essence of classical dance: steps and the combination of steps. "Concerto Barocco" and Balanchine's "Ballet Imperial," both created for American Ballet Caravan in 1941, paved the way for the City Ballet's pure-dance aesthetic.

It is not, admittedly, a conception that fits everyone's view of ballet. Even Kirstein had doubts about Balanchine's reliance on music as a springboard for choreography. In 1937 he wrote, "I have come to feel that music unduly tyrannizes him; but then I am not a trained musician nor a trained dancer as he is."

Martins knows well that fresh choreography is essential to the company's profile. Asked about his focus for the future, he replied without hesitation: "New ballets will have to be created and made on the premises. This is what this place is about."

PEOPLE

"STAR WARS" is back. Or more precisely, a two-minute trailer for "Star Wars: Episode I — The Phantom Menace," the first "Star Wars" film since the release of "Return of the Jedi" 15 years ago. The new film, written and directed by George Lucas, opens in American theaters on May 21. The trailer was screened last week in 26 states on 75 screens selected by the movie's distributor, 20th Century-Fox. Fans heard about it a few days earlier on the Lucas film Web site (www.starwars.com), and it quickly turned into a film event that had no precedent. Theaters showing such films as "The Siege" and "Meet Joe Black" were crisscrossed with people who paid full admission just to see the trailer and left when the movie began.

Mick Jagger and Jerry Hall have split up again, two British tabloids have reported. But the papers, The Mail on Sunday and The News of the World, disagreed over whether the trouble this time stems from an old problem — the Rolling Stones singer's other women —

or a new one: his anger over their 14-year-old daughter, Elizabeth, following in her mother's modeling footsteps. The Mail said Jagger had accused his wife of seeking to revive publicity for herself by modeling with Elizabeth. But The News of the World carried a shadowy picture that it contended showed Jagger leaving the Paris apartment of an old flame, the model Carla Bruni. An

enraged Hall then flew to New York with the couple's youngest child, 11-month-old Gabriel, the paper said.

The British actress Kate Winslet, who shot to fame with her role in "Titanic," married her fiancé, Jim Threapleton, a 25-year-old assistant film director, in Reading, England, on Sunday. Winslet,

23, wore a cream, pearl-encrusted dress by Givenchy. One hundred and fifty people were invited to the ceremony, which was followed by a reception on a barge on the River Thames.

A poster for the 1933 classic "King Kong" was sold at auction in Boston for \$62,000. The poster shows Kong cradling Fay Wray and standing at the New York skyline. Steven Rotman, a furniture store owner from Worcester, Massachusetts, placed the high bid at the Skinner Auction House. An auction consultant, Rudy Franchi, said the sale set a record for a movie poster.

Andy Warhol's "Portrait of Frederick the Great" and works by such artists as Otto Dix, Kaethe Kollwitz, Picasso, Chagall and Emil Nolde will be in the twilight beginning Friday in Berlin. In two days, more than 1,150 works of art and photography valued at nearly \$10 million will be offered for sale by the auction house Villa Grisebach.



BRavo — The Italian director Michelangelo Antonioni is applauded by Interior Minister Jean-Pierre Chevènement of France after the Entrevues Film Festival of Belfort presented him with an award for his film work.

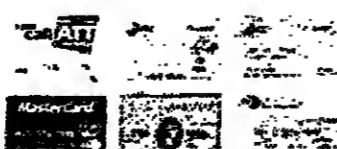


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